RH BOPHELO

Health is Wealth

INTEGRATED ANNUAL REPORT

28 FEBRUARY 2022

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DEFINING INVESTMENT EXCELLENCE

IN THE PURSUIT OF AN INTEGRATED HEALTHCARE PLATFORM

RH Bophelo is a healthcare investment vehicle that aims to produce superior returns, whilst contributing to socio-economic value creation and development of Africa. The intended purpose of the Company is to pursue acquisitions of healthcare assets and financial services in exceptionally managed commercial entities or special situations across the African market.

01

INTRODUCTION

DEFINING
INVESTMENT
EXCELLENCE

ABOUT THIS REPORT

The RH Bophelo Limited (RHB) Integrated Annual Report (IAR) is directed to all stakeholders with whom we collaborate and to whom we answer. RHB offers leadership with information and transparency on which they can assess our capacity to satisfy their expectations, and align their interests in the short, medium, and long-term(s), as well as create company and societal value. RH Bophelo is listed on both the Johannesburg and Rwandan Stock Exchanges, allowing the general public to invest in an African healthcare investment holding company that offers growth and returns in a societally imperative, growing and defensive asset class.

SCOPE AND BOUNDARY OF THIS REPORT

This report follows our integrated annual report for the previous year, which was published in June 2021, and includes the Company's annual financial results as well as its Economic, Environmental, Social, and Governance (EESG) performance for the year 1 March 2021 to 28 February 2022. Pages 32 to 41 contain content, regarding EESG and pages 86 to 137 contain the Company's consolidated financial results.

The integrated report's scope covers the risks, opportunities and outcomes associated with the strategy, business model and stakeholder engagements and how we respond. In compiling the report, we were guided by international and South African reporting guidelines and best practice including:

- The South African Companies Act 71 of 2008 (as amended) (Companies Act)
- The Johannesburg Stock Exchange Limited (JSE) Listings Requirements
- The International Financial Reporting Standards (IFRS)
- SAICA Financial Reporting Guides as issued by the Accounting Practices Committee
- The reporting principles contained in the King IV™* Report on Corporate Governance for South Africa 2016
- The Rwanda Stock Exchange (RSE) Listings Requirements
- The Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)
- The sustainability information has been compiled with cognisance to the Global Reporting Index (GRI) standards

ASSURANCE

The Company's Annual Financial Statements (AFS) were prepared in line with the IFRS and the Board of Directors provided oversight by reviewing the Integrated Annual Report for completeness and accuracy.

Independent assurance provided includes:

Business process Standards/codes/principles/guidelines	Level of application/compliance in our reporting	Assurance provider
International Financial Reporting Standards (IFRS)	Complied with https://www.rhbophelo.co.za/investment/for-our-investors/ to full Annual Financial Statements	Mazars South Africa
International Integrated Reporting Council's (IIRC)	Guided by its principles	No external assurance
King Code on Corporate Governance 2016™ (King IV™)	Applied and application reported on https://www.rhbophelo.co.za/corporate-governance/	Corporate Vision (Company Secretary)
JSE Listings Requirements	Complied with	Deloitte & Touche (JSE sponsor)
Companies Act 71 of 2008	Complied with	Corporate Vision (Company Secretary)
The Rwanda Stock Exchange (RSE) Listing Requirements	Complied with	Faida Securities Rwanda Limited (Rwanda sponsor)
Broad-Based Black Economic Empowerment (B-BBEE)	Verification in progress. Company is renewing the BBBEE certificate for the preceeding year.	Fidelity Verification

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report contains forward-looking statements that, unless otherwise indicated, reflect the Company's expectations as at 28 February 2022. Actual results may differ materially from the Company's expectations if known, and unknown risks or uncertainties effect 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 or regulations. No forward-looking statements have been reviewed or reported on by the Company's external auditors.

BOARD OF DIRECTORS RESPONSIBILITY STATEMENT

RH Bophelo's Board of Directors acknowledges its responsibility to ensure the integrity of the integrated report. The Board, in its opinion and having applied its collective mind to the preparation and presentation of the integrated report, believes it addresses all material matters and offers a balanced view of RH Bophelo's strategy and how it relates to the organisation's ability to create value in the short, medium and long-term(s). The Board believes that the integrated report adequately addresses RH Bophelo's use of and effects on the 6 capitals (financial, manufactured, intellectual, human, social and relationship, and natural), and the manner in which the access to these capitals is impacting RH Bophelo's strategy and business model. We, as the Board, believe that this integrated report was prepared in accordance with the International <IR> Framework.

The integrated report, which remains the ultimate responsibility of the Board, is prepared under the supervision of executive management, and subject to a rigorous process using both internal and external assurance. The integrated report is submitted to the Audit and Risk Committee, which reviews and recommends it to the Board of Directors 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 Board approved this report on 9 June 2022.

John Rabagadi Oliphant Non-Independent Non-Executive Director and Chairman	**Dr Solomon (Solly) Gabriel Motuba** Lead Independent Non-Executive Director
Dinao Modirwadi Lerutla Independent Non-Executive Director	**Lyndsay Ronald Maseko** Independent Non-Executive Director
Dr Kgaogelo Rachel Ntshwana Independent Non-Executive Director	**Bojane Segooa** Independent Non-Executive Director
Dr Phetole David Sekete Non-Executive Director	**Quinton Zunga** Chief Executive Officer
Colin Wayne Clarke III Chief Investment Officer, Executive Director	**Katekani Dion Mhlaba** Chief Financial Officer, Executive Director
Vuyokazi Phatheka Nomvalo Executive Director	

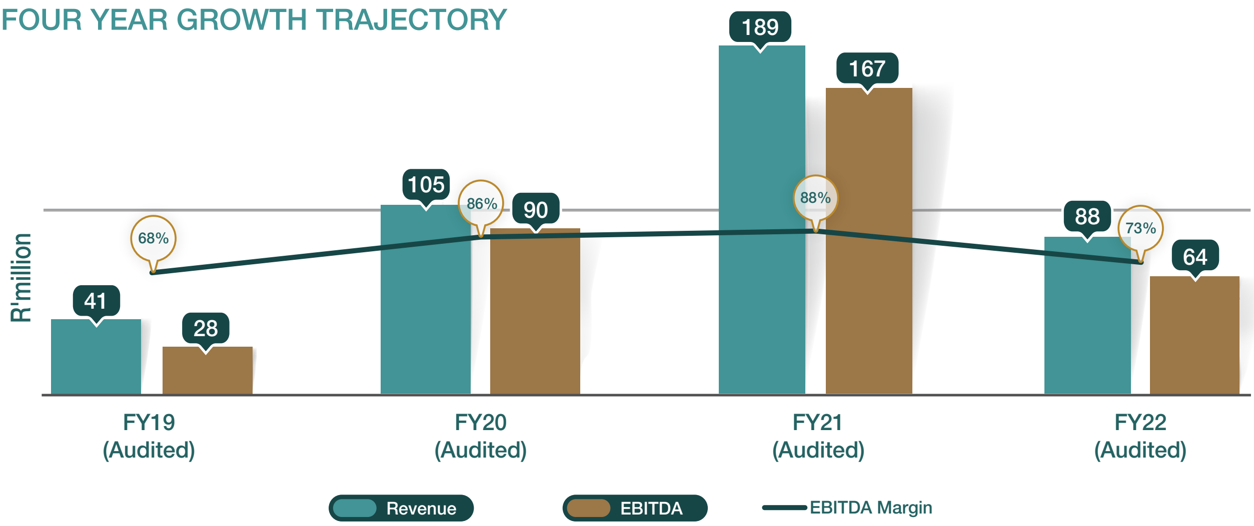
Feedback: *A hard copy of this integrated report is available on request as well as online at [direct link]. We are committed to improving this report each year and therefore, we appreciate and encourage constructive feedback.*

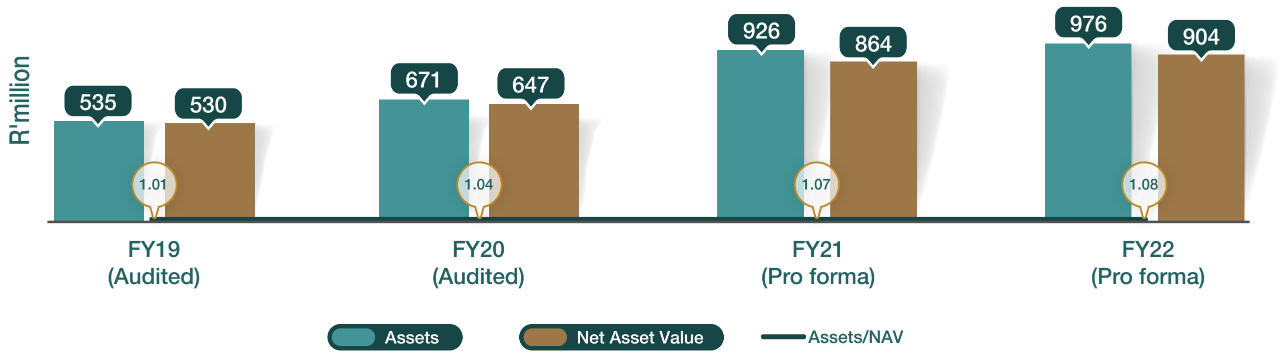
Please forward comments to: invest@rhbophelo.co.za.

FY2022 SALIENT FEATURES

- Net asset value increased by **5%** to **R904 million** (2021: 864 million)
- Investment income decreased by **54%** to **R88 million** (2021: R189 million)
- Dividend income increased by **243%** to **R24 million** (2021: R7 million)
- Total income before tax decreased by **62%** to **R64 million** (2021: R167 million)
- Total income after tax decreased by **60%** to **R53 million** (2021: R131 million)
- Basic earnings per share and headline earnings per share down **62%** to **82,7c** (2021: 217,5c)
- Distribution of "A" ordinary share dividend for **R9.7 million**
- Net asset value per share increased by **5%** to **1 397,3c** (2021: 1 335,6c)
- Allocated **R20.7 million** to new and existing investments (2021: R161.4 million)
  - Acquired additional 5% in Genric Insurance
  - Acquisition of 10% in healthtech company LocumBase

FOUR YEAR GROWTH TRAJECTORY





CHAIRMAN'S REPORT

John Oliphant
Chairman

> We are determined to attract and retain investment professionals who share our commitment to investing in the healthcare sector.

THE YEAR

As Chairman I am pleased to set out the accomplishments of the RHB for financial year ended 28 February 2022. In this respect context is needed as it is important to recall that RHB has progressed from a focus on asset gathering to ensuring capital enhancement and that its operating companies are now a customer centric while also building the RHB Brand. While none of these important steps is done in isolation (and indeed they must run concurrently), we are more focused than ever on driving RHB to the upper echelons of the South African healthcare and financial services tables.

RHB's respective management teams have responded with appropriate measures to preserve liquidity and reduce operating expenses, including measures to defer and/or reduce rental expenses, progress technology strategies, as well as access to the various sources of capital.

MARKET OVERVIEW

Inflation is the catch word of the day as we see increases in the prices of electricity, fuel, food and most other items that make up our basket of goods. This is a global phenomenon which is heightened by the war in Ukraine. In South Africa, consumer price inflation is currently approximately 5.9% year-on-year (at 1 March 2022), levels not seen since 2017, and has been rising steadily since a low of 2% in early 2020. It is common cause that if prices rise at a rate faster than household incomes, fewer goods will be purchased as affordability becomes an issue.

Ultimately this leads to a fall in the standard of living (hardest hit are those on fixed incomes; the value of cash is destroyed which ultimately discourages savings; workers demand higher wages, creating a wage-spiral; the cost of borrowing increases making the purchase of homes unaffordable in most instances; costings are hard to plan, thereby serving as a deterrent to business investing; the value of a currency reduces against other currencies, making imports more costly; and increased strain on families and attendant mental health issues).

COVID-19 AND INFLATION A PERFECT STORM

COVID-19 has injected a strong sense of urgency across the healthcare ecosystem, leading to dramatic change in a short period of time. At RHB, we believe COVID-19 laid bare that healthcare organisations are slow to move, not because they lacked the capability to move quickly, but rather because there was never a sufficient incentive or catalyst to do so.

COVID-19 has also heightened the need for RHB to focus on the provision of mental health facilities – we have seen an increased demand for mental health services of all types. In South Africa, 28 million people suffer from mental health issues, and that number is growing rapidly due to the demands of the ongoing pandemic, recession, and social unrest. As investors, RHB must enable companies to provide mental health resources to their employees. We believe greater access to behavioural healthcare and tech-enabled care for more complex mental health needs is a huge opportunity. Increased access and usage of mental health resources will result in lower employee turnover and overall lower medical care costs.

Other areas in which RHB is scoping opportunities are:

- Telehealth
- Virtual care
- Remote patient monitoring; and
- Healthcare artificial intelligance (AI)

We are excited about the prospects for these new methodologies reducing the cost of patient care and spreading the healthcare dividend to those most in need.

ENVIRONMENT, SOCIAL AND GOVERNANCE

Sustainability, social responsibility, and ethics are at the forefront of our investment activity. RHB and its portfolio companies have a long- standing commitment to doing business responsibly, striving to positively influence and effect change, recognising that its actions today enable the reality of tomorrow.

Further detail of initiatives in this regard undertaken by the portfolio companies and RHB during the year in review are set out on page 36.

Our commitment to governance is set out in our governance report on page 63.

APPRECIATION

On behalf of the Board, I would like to extend our gratitude to the portfolio company management teams and our advisors for their dedication and focus on mitigating the impacts of the COVID-19 pandemic and steering the investments through this turbulent period. In closing, I thank our stakeholders and business partners for their continued support and my fellow directors for their ongoing insightful contributions, especially during these unprecedented times.

John Oliphant
Chairman
30 June 2022

The RH Bophelo family would like to extend our condolences to the friends, family, and loved ones of all affected by the severe flooding and landslides in KwaZulu-Natal due to heavy rainfall in April.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02

OUR BUSINESS

DEFINING INVESTMENT **EXCELLENCE**

RH BOPHELO AT A GLANCE

RH Bophelo is a broad spectrum healthcare investor, that to date has executed investments in: (i) health insurance; (ii) private hospital infrastructure; (iii) pharmaceuticals; (iv) health tech; as well as (v) short-term insurance in order to achieve its goal of generating returns for its shareholders.

RH Bophelo is a customer focused investor that invests in affordable healthcare while empowering employees to make decisions that are for the benefit of the customer as customer satisfaction and ease of use of our facilities are among two of the Company's top priorities. The Company is listed on both the Johannesburg and Rwandan Stock Exchanges, thus allowing the public to acquire shares in an African healthcare investment holding company offering growth and returns in a defensive asset class.

We look at customer service as a philosophy to be embraced by every employee of the Company and recognise that we have both external and internal customers, hence we encourage our employees to challenge the status quo and think laterally in order to address our client's needs.

OUR MISSION

RH Bophelo's mission is to seek and create investment opportunities to fill the chasm between the public and private healthcare sectors in South Africa and the African continent as a whole. We achieve this by making investments in healthcare infrastructure, healthcare-related information technology, pharmaceuticals and financial services assets in exceptionally well managed commercial entities across the South African and African markets, acting as a responsible corporate citizen while creating value and maximising returns for our investors.

The Company executes its investment mandate primarily through two wholly-owned subsidiaries, RH Bophelo Operating Company Proprietary Limited (RHBO) and RH Financial Services Proprietary Limited (RHFS).

These subsidiaries are utilised to acquire various investments on behalf of the Company. The investments under RHBO have been allocated to the healthcare investment portfolio, and RHFS to the financial services investment portfolio.

Notable healthcare investments

- Africa Health Care Proprietary Limited (Africa Health Care/AHC)
- Medicare Private Hospital (Medicare)
- Rondebosch Medical Centre (RMC)
- Vryburg Private Hospital (VPH)
- RH Bell Clinic
- RH Fauchard Hospital
- Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM)

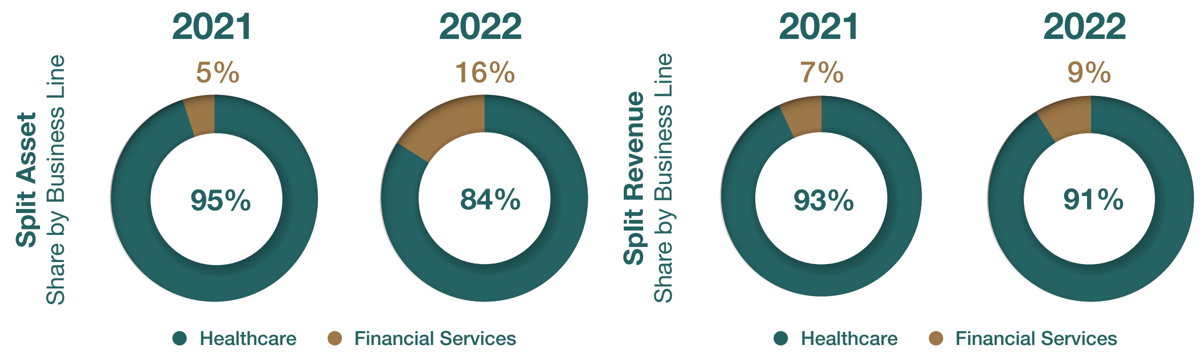
- Approximately 90% of the group's total investments
- 1 696 beds (511 owned; 1 185 managed by AHC and PBHPM)
- Across eight South African provinces

Notable financial services investments

- Wesmart Financial and Administration Solutions Proprietary Limited (Wesmart)
- Genric Insurance Company Limited (Genric)

- Approximately 10% of capital invested
- Investments in healthcare insurance:
  - Short-term insurance company
  - Underwriting Management Agency (UMA)
- Investments target the employed but uninsured (in South Africa only 20% is currently insured)

BUSINESS SEGMENTS



OUR PORTFOLIO METRICS

Hospitals

No. of Hospitals	21
No. of Theatre Cases	9 168
No. of Casualty Visits	5 533
Paid Patient Days	118 358
No. of Employees	742
Areas of Specialisation	39

Insurance

No. of Active Policies	135 000
YoY Growth in Active Policies	15%

Pharmaceuticals

No. of Warehouses	2
No. of Pharmacies	7

Based on the past 12 months*

INVESTMENT CRITERIA

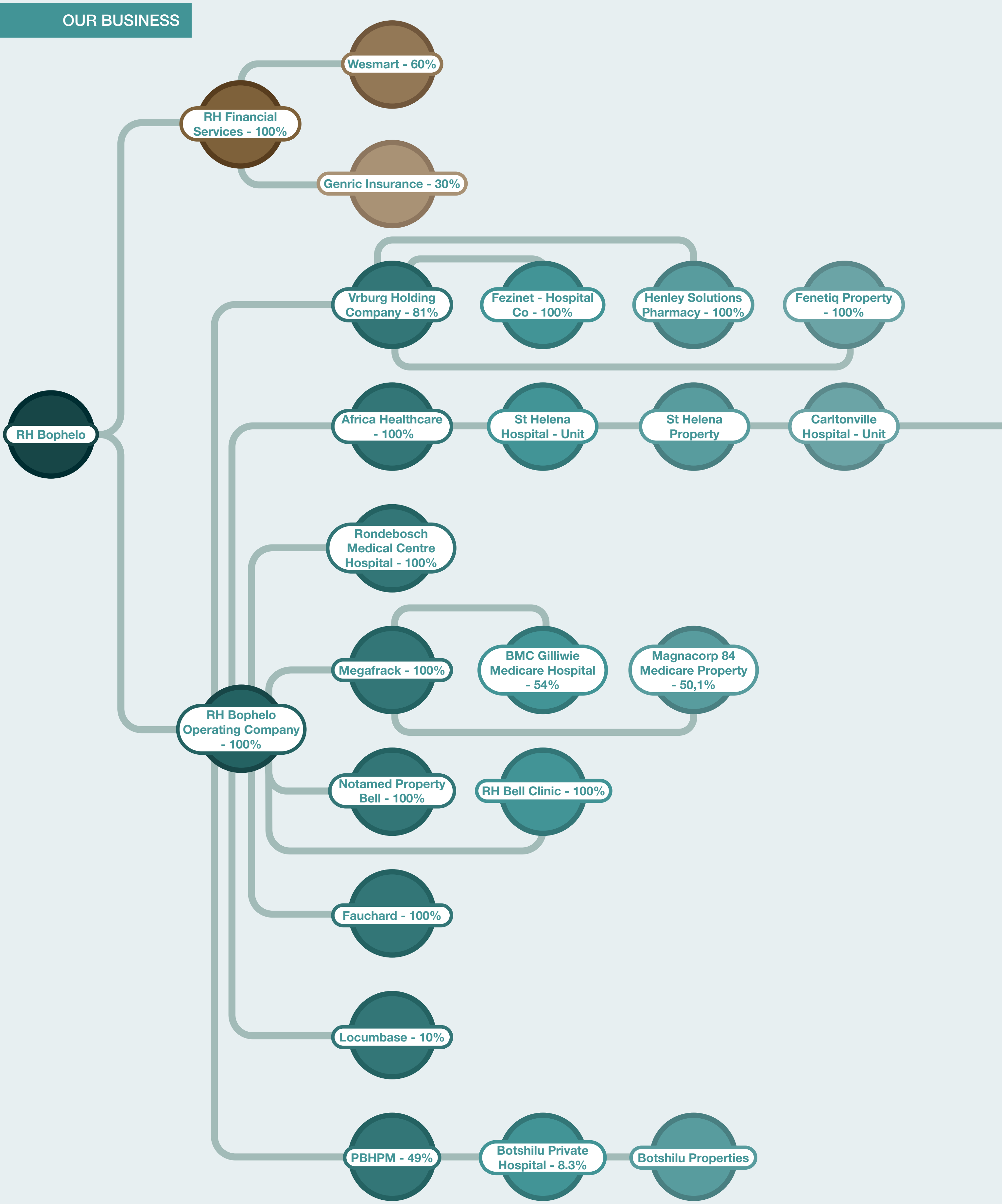
RH Bophelo established a set of investment criteria at inception and has found these guidelines to be both informative and instructive in setting and guiding its investment course. The investment speaks to the creation of a self-supporting ecosystem engineered to deliver on the group's mandate.

INVESTMENT GUIDELINES

- Acquire existing and operational healthcare infrastructure
- Invest in healthcare related financial services companies
- Invest in pharmaceutical and logistics companies
- Invest in healthcare technology and large data companies
- Identify other opportunities along the healthcare value chain

2023 FOCUS

- Growth of existing assets
- Fine tune operations
- Value extraction
- Acquisition of additional complimentary assets



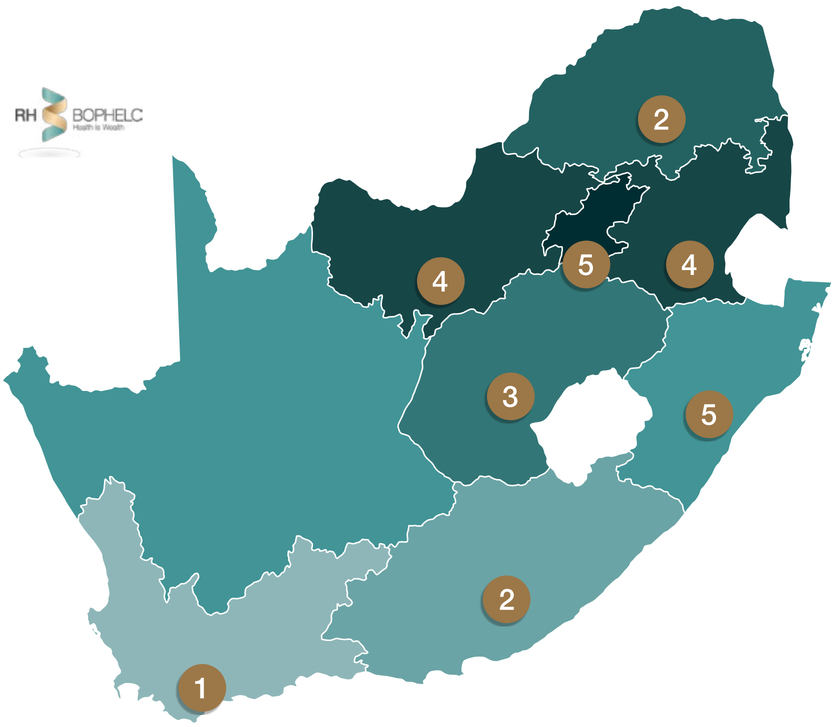
RH Bophelo
RH Financial Services - 100%
Wesmart - 60%
Genric Insurance - 30%
RH Bophelo Operating Company - 100%
Vrburg Holding Company - 81%
Fezinet - Hospital Co - 100%
Henley Solutions Pharmacy - 100%
Fenetiq Property - 100%
Africa Healthcare - 100%
St Helena Hospital - Unit
St Helena Property
Carltonville Hospital - Unit
Rondebosch Medical Centre Hospital - 100%
Megafrack - 100%
BMC Gilliwie Medicare Hospital - 54%
Magnacorp 84 Medicare Property - 50,1%
Notamed Property Bell - 100%
RH Bell Clinic - 100%
Fauchard - 100%
Locumbase - 10%
PBHPM - 49%
Botshilu Private Hospital - 8.3%
Botshilu Properties

GROUP STRUCTURE

RH Bophelo has successfully deployed the initial R500 million it raised on listing. The Company has made a number of acquisitions since its inception and JSE listing, which includes a healthcare portfolio consisting largely of hospitals with 1 696 beds, 511 owned and 1 185 managed beds under management contracts across eight South African provinces.

Fochville Hospital Pty Ltd — AHC Nursing College Pty Ltd — Gerijo Ambulanse — AHC EMS — Pharmaways - 50%

OWNED AND MANAGED HOSPITALS



East London (2)

- Royal Buffalo Specialist Hospital *
- Umtata Private Hospital – in construction

Free State (3)

- RH Matjhabeng Private Hospital *
- St Helena Private Hospital
- RMA Care Facility Free State *

Limpopo (2)

- Bela-Bela Phodiclinic *
- Medical Hospital of Lebowakgomo *

North West (4)

- Medicare Private Hospital
- Lesego Private Hospital *
- RH Vryburg Private Hospital
- Platinum Private Hospital * *

Western Cape (1)

- Rondebosch Medical Centre

Gauteng (5)

- AHC Fochville Private Hospital
- RH Bell Clinic
- RH Fauchard Hospital
- RH Rand Clinic *
- The Fountain Private Hospital

Mpumalanga (4)

- Kiaat Private Hospital *
- RH Phodiclinic *
- RH Piet Retief Private Hospital *
- Malelani Private Hospital – in contruction *

KwaZulu-Natal (5)

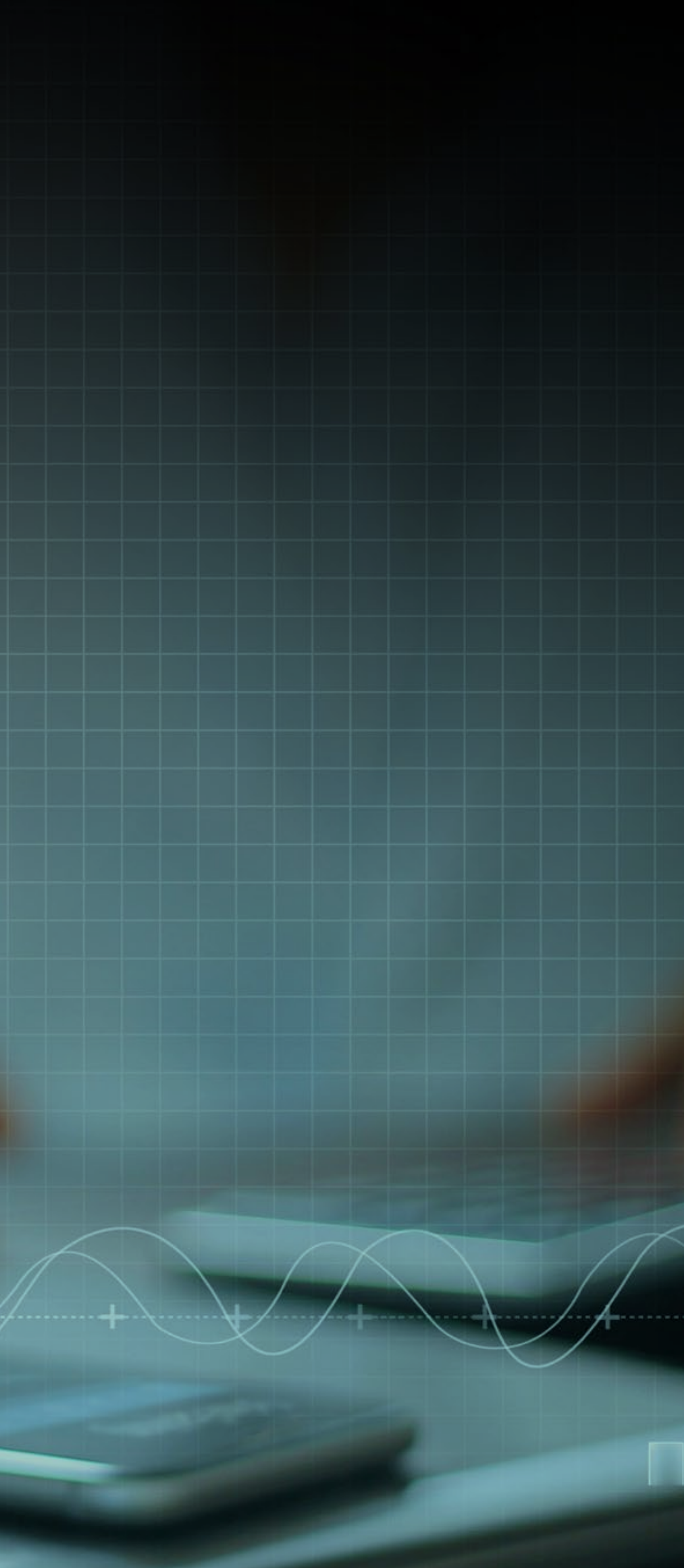
- Abaqulusi Private Hospital *
- Eden Gardens Private Hospital *
- Healing Hills Hospital *
- KwaDukuza Private Hospital *
- Escourt Private Hospital – in contruction *

* Managed * * Rental

OUR MILESTONES

RH Bophelo listed on the JSE as a Special Purpose Acquisition Company (SPAC) in July 2017. The JSE listing allowed RH Bophelo to access the initial capital required to start operating and facilitated the acquisition of shares by the public in the backing of a majority black-owned and entirely African healthcare investment company offering growth and returns in a defensive asset class.

Year	2017	2018	2019
Milestone	Listed on JSE as a SPAC raising R500 million	• Acquired: - 60% interest in Africa Health Care - 76% interest in Vryburg Private Hospital - 30% interest in Rondebosch Medical Centre • Migration to main Board of the JSE as an investment entity	• Acquired: - 60% interest in Wesmart Financial and Administration Solutions - 51% interest in Medicare Private Hospital - 40% interest in Africa Health Care - 100% interest in RH Fauchard Hospital - 100% interest in RH Bell Clinic (previously Netcare Bell)



OUR MARKET IN CONTEXT

The South African healthcare sector operates in a two-tiered healthcare system:

- The **public sector** handles over 80% of the population and is funded by the government, which subsidises up to 40%.
- The **private sector** handles a comparatively smaller portion at 20% and is mainly funded by private investors and medical aid schemes.

In 2020, healthcare as a percentage of GDP was 9.5%, making it higher than the 5% WHO set standards for a country of South Africa's socio-economic status. Healthcare expenditure (market size) was valued at ZAR464.5 billion (US$28.2 billion) in 2020 and is projected to reach a value of US$29.3 billion by 2022 and US$35.2 billion by 2025.

The private healthcare sector contributed ZAR262.3 billion (US$15.9 billion) in 2020 and is projected to contribute US$19.5 billion by 2025. Over the five years from 2020 to 2025, private sector healthcare spending is expected to constitute 56% of total healthcare expenditure annually.

The healthcare market segments are made up of:

- Medical insurance;
- Medical device and hospital supplies;
- Medical insurance, medical services and managed care; and
- Pharmaceuticals and related segments

Source: WHO, Fitch Solutions

2020

- Acquired:
  - 49% interest in Phelang Bonolo Healthcare Procurement and Management (Pty) Ltd
  - additional interest in Rondebosch Medical Centre to 100%
  - 25%n interest in Generic Insurance Company
- Listed on the Rwanda Stock Exchange (RSE)

2021

- ZAR15 cents dividends declared

2022

- Additional 5% investment in Generic
- Acquisition of 10% stake in healthtech business LocumBase

INVESTMENT PORTFOLIO

AFRICA HEALTH CARE

Integrated Healthcare Company, four owned hospitals and 17 hospitals under management contracts, facilities management and ambulance business and emergency services and a pharmaceutical distribution business.

Owned hospitals	Managed hospitals*
• Fochville Private Hospital Gauteng • Fountain Private Hospital Gauteng • St. Helena Private Hospital Free State • Platinum Private Hospital Free State * * * * Rental	• Abaqulusi Private Hospital KwaZulu-Natal • Bela-Bela Phodiclinic Limpopo • Eden Gardens Private Hospital KwaZulu-Natal • Healing Hills Hospital KwaZulu-Natal • Kiaat Private Hospital Mpumalanga • KwaDukuza Private Hospital KwaZulu-Natal • Medicare Private Hospital North West • Medical Hospital of Lebowakgomo Limpopo • RH Bell Clinic Gauteng • RH Fauchard Hospital Gauteng • RH Matjhabeng Private Hospital Free State • RH Phodiclinic (Barberton) Mpumalanga • RH Piet Retief Private Hospital Mpumalanga • RH Rand Clinic Gauteng • RMA Care Facility Free State • Rondebosch Medical Centre Western Cape • Vryburg Private Hospital North West

**Notable AHC managed hospitals*

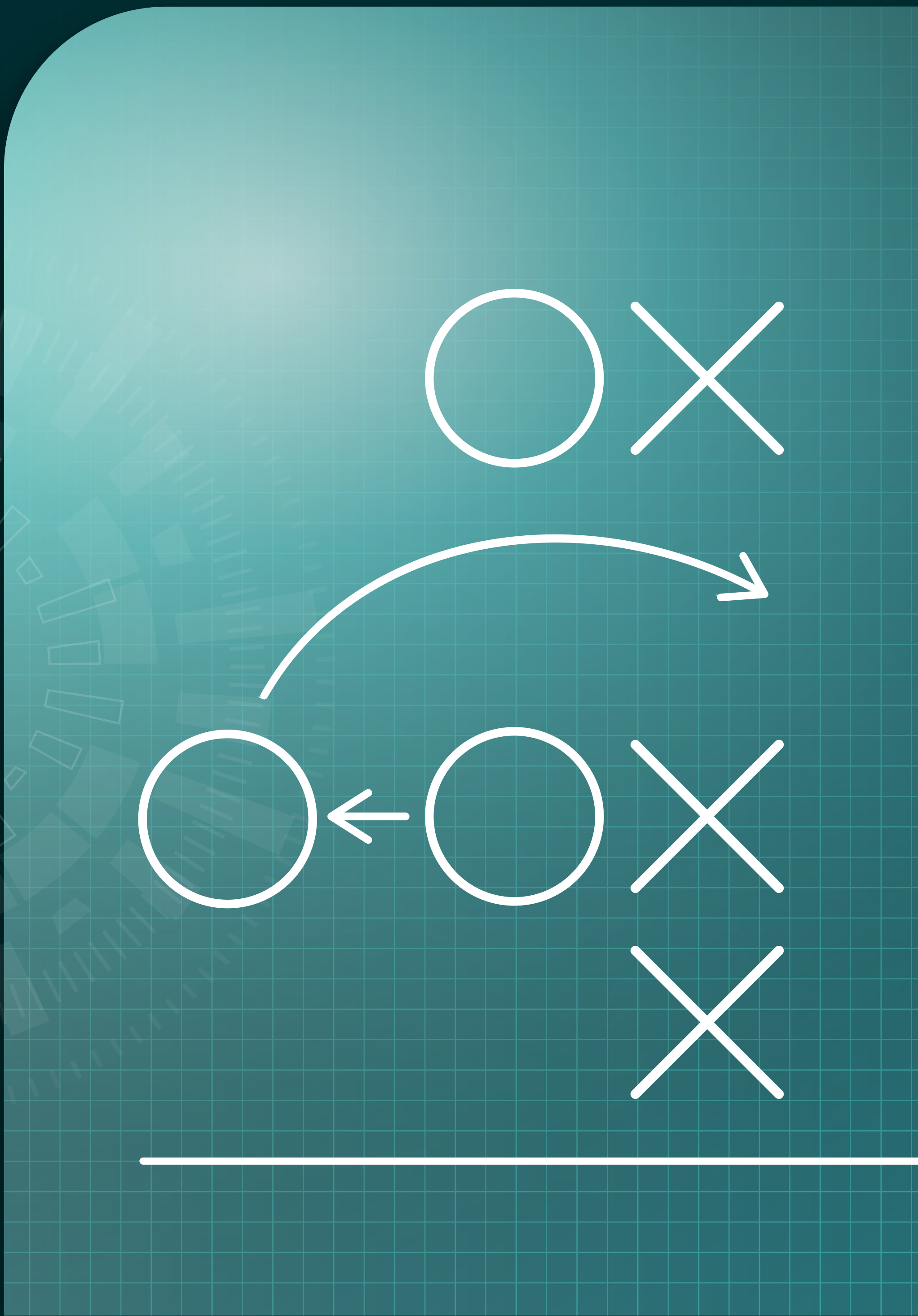
Ownership	100% (2021: 100%)
Capital allocated (costs)	R122.5 million (2021: R122.5 million)
Beds	511 owned, 1 185 managed (2021: 511 owned, 1 185 managed)
Value proportion to the group	38% (2021: 37%)
Fair value in the current year	R346 million (2021: R309 million)
Fair value to proportion of property	28% (2021: 5%)
Revenue	R302.6 million (2021: R285.5 million)
Valuation method	Discounted cash flows

Vryburg Private Hospital North West	
Acute hospital services including pharmaceutical services	
Ownership	81% (2021: 81%)
Capital allocated (costs)	R35.8 million (2021: R33.8 million)
Beds	51 (2021: 51)
Value proportion to the group	4% (2021: 4%)
Fair value in the current year	R33 million (2021: R31.1 million)
Fair value to proportion of property	74% (2021: 74%)
Revenue	R38.7 million (2021: R39.9 million)
Valuation method	Discounted cash flows

Rondebosch Medical Centre Western Cape	
Specialised acute hospital services	
Ownership	100% (2021: 100%)
Capital allocated (costs)	R143.7 million (2021: R143.7 million)
Beds	123 (2021: 123)
Value proportion to the group	23% (2021: 24%)
Fair value in the current year	R209.7 million (2021: R197.3 million)
Fair value to proportion of property	0% (2021: 0%)
Revenue	R177.8 million (2021: R130.3 million)
Valuation method	Discounted cash flows

Medicare Private Hospital North West	
Specialised acute hospital services	
Ownership	54% of the hospital and 50.1% of the property company
Capital allocated (costs)	R123.4 million (2021: R123.4 million)
Beds	110 (2021: 110)
Value proportion to the group	22% (2021: 21%)
Fair value in the current year	R200.9 million (2021: R176.6 million)
Fair value to proportion of property	50% (2021: 41%)
Revenue	R234.5 million (2021: R209.5 million)
Valuation method	Discounted cash flows

Genric Insurance Company	
Short-term Insurance	
Ownership	30% (2021: 25%)
Capital allocated (costs)	R61.5 million (2021: R52.5 million)
Value proportion to the group	9% (2021: 7%)
Fair value in the current year	R79.4 million (2021: R56.2 million)
Revenue	R620 million (2021: R525 million)
Valuation method	Discounted cash flows



03

OUR STRATEGY

DEFINING INVESTMENT **EXCELLENCE**

BUSINESS MODEL

RHB continues building an ecosystem of networked investments focused on healthcare, healthcare IT, pharmaceutical distributions and financial services. In order to achieve this, we have a well-developed business model which takes into account the following key factors:

INPUTS

Financial capital

Multi-source pool of funds that supports operating activities group-wide cash flow and working capital management integrated financial value model.

Human and intellectual capital

- Systems and procedures
- Depth of skills and experience

Social and relationship capital

- Engagement with stakeholders
- Shared value creation corporate social investment (CSI) programme

Natural capital

Responsible use of resources

OUR BUSINESS ACTIVITIES

- Healthcare access and insurance
- Hospital infrastructure network and management contracts
- Healthcare funding through long-term development and property funds

OUTPUTS

Sound capital allocation

Skilled workforce

Enterprise development

Responsible use of natural resources

OUR STRATEGY

RH Bophelo is focused on building a portfolio of networked investments in healthcare, healthcare information technology, pharmaceutical distribution and financial services. The ecosystem includes infrastructure and related access products targeting growth in the lower and middle income earners and the working uninsured. A successful healthcare network is achieved by providing innovative access products and building on strategic partnerships to leverage growth.

OUR THREE STRATEGIC PILLARS

Hospital infrastructure network and management contracts

- 70% of capital base
- 'Hub and spoke' model – 10 entry level hospitals per one specialised hospital
- Investment in integration of ancillary services (hospital management, emergency medicine, information technology)
- Current: 21 hospitals
- Target: 40 hospitals

Healthcare funds

- 20% of capital base
- Invest in and support co-ownership structures providing:
  - Larger footprint with lower capital investment
  - Access to long-term development and property funds
  - Investment in funding platforms to support infrastructure expansion and capital appreciation
- Currently owns two hospital operators managing over 20 hospitals

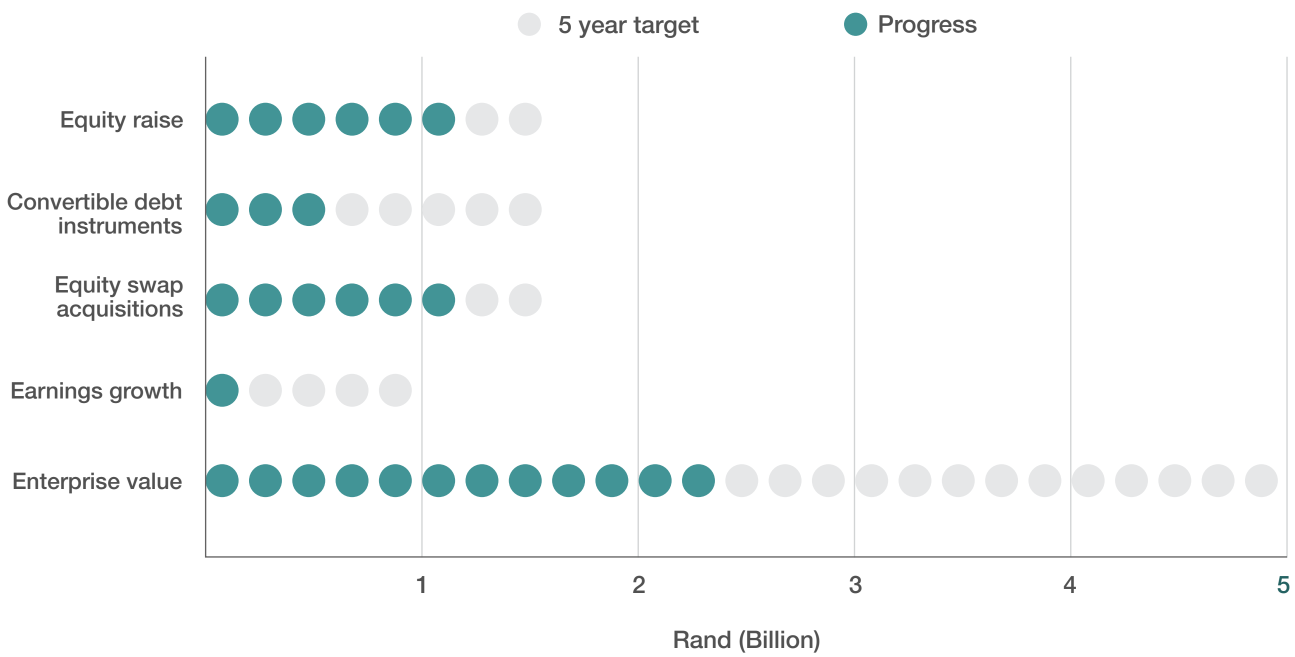
Healthcare access and insurance

- Growth potential in affordable access products
- Increased insured population benefits whole portfolio
- Helps improve healthcare for lower and middle income market
- Affordable healthcare and medical insurance extending cover for the working uninsured
- Investment in Wesmart and Generic
- Target of 16 000 health insurance policies

STRATEGIC SCORECARD

Strategic objectives	Strategic response	Looking forward
Growth and expansion	Acquisition of additional stakes in: • Hospitals • Financial services and healthcare tech products • Pharmaceuticals/pathology labs	Continued investment in building a national footprint with a lower capital base
Post investment expertise and relations	• Optimise internal processes and systems to manage healthcare ecosystem growth • Improve investor relations • Expand outside South Africa • Participating in boards of investee companies	Continued investment in information technology (IT) to further accelerate service delivery
Excellence in governance	• Top-down organisational culture • Aligning group systems and processes • Effective internal and external communications	RHB continues to draw from its experienced team
Execution of socio-economic programmes	• Education and training across private medical schools and private nursing training colleges • Health equity and justice by: – Spreading healthcare dividend; and – Providing equal opportunities for Africans	Invest in healthcare infrastructure, health insurers offering products for the uninsured, hospital management and insurance companies
Positively impact the wellbeing of South African and African society	• Global collaboration with other healthcare providers • Leaders in healthcare provision • Collaborating with governments to drive change	Provide infrastructure in line with hospital requirements

R5 BILLION IN 5 YEARS STRATEGY



EXPANSION STRATEGY

Our vision

An ecosystem of integrated businesses focused on the provision of affordable healthcare services

Infrastructure, technology, pharmaceutical distribution and a supply chain platform and well as related access products that expands RHB's value chain and its reach and footprint in its target market.

Innovative access products and building on strategic partnerships

RHB's footprint rollout is expected to be 40 facilities focused on the lower income market including at least 10 facilities on the rest of the continent.

Our envisioned expansion is focused on:

Acquiring additional assets

Facilitating 3rd party buy-in

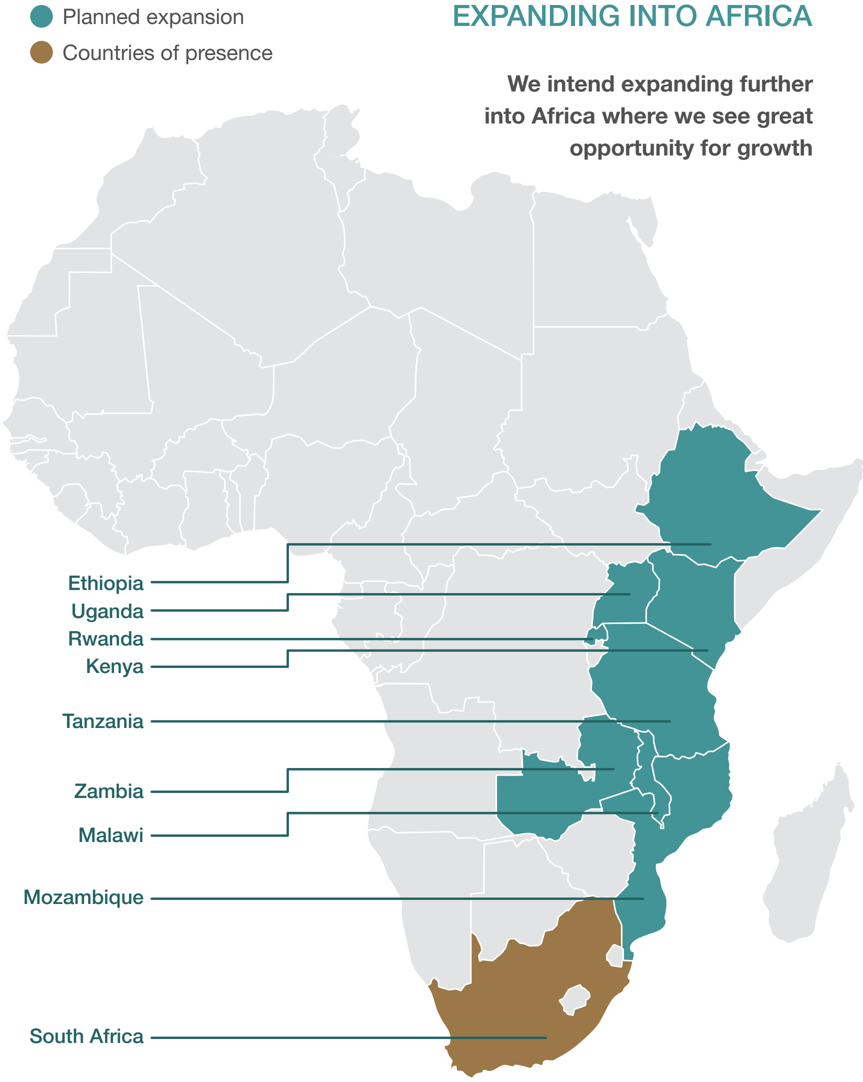
AHC listing in 2025

Expanding education nursing college

Consolidating in retail pharmacy to complement hospitals

EXPANDING INTO AFRICA

We intend expanding further into Africa where we see great opportunity for growth



KENYA

- Spends approximately 4.8% of GDP on healthcare, with less than half of that coming from govt spend.
- More than half of all deaths are HIV/AIDS related.
- 1.4 hospital beds per 1 000 population (2010).
- National Hospital Insurance Fund (NHIF) introduced in 2004 and being expanded to cover more of the population.
- Significant investment needed into facilities and services.

TANZANIA

- Spends approximately 5.6% of GDP on health, with just under half of that from govt spend.
- Health insurance is available for the formal sector but relatively low coverage. Out Of Pocket account for almost 25% of all expenditure. Only 1% of the population has private health insurance.
- Decentralized health system – though majority of facilities in the capital.
- 0.7 beds per 1 000 population (2010).

ETHIOPIA

- Spends approximately 3.2% of GDP on health (2019), a considerable drop from a high of 5.4% in 2010. Over 75% of this expenditure accounted for by private sector and OOP.
- 0.33 beds per 1000 population – equitable access a issue across the country.
- Policy shifts to dealing with NCDs poses challenges as health needs change.
- Following successful pilots, Community Based Health Insurance (CBHI) rolled out.

UGANDA

- Spends approximately 7.2% of GDP on health, significantly higher than the SSA average, though almost 75% accounted for by private sector.
- 0.5 beds per 1 000 population (2010).
- Top cause of death is Neonatal disorders followed by HIV/AIDS.
- Health system still highly dependent on external support.

RWANDA

- Strong economic growth has allowed significant investment into the health system over the last decade with 7.5% of GDP spent on health.
- Insurance coverage (CBHI) has been strengthened and is estimated to cover over 80% of the population.
- Adoption of innovation is strong including national contract for telehealth based primary care.
- Despite this, challenges, challenges remain with infant malnutrition and malaria both an issue.
- 1.6 beds per 1 000 population (2007).

CREATING VALUE

Value is created at RHB by recognising fulfilling both the financial and social goals in our mandate. RH Bophelo has an obligation to ensure that it maintains it status as a good corporate citizen by sustainably and responsibly managing its resources to the benefit of stakeholders and the environment. The Company has an environmental and sustainability policy that formally documents the Company's strategy and governance approach to manage its environmental impacts and performance across its investments.

OUR STATEMENT ON THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

RH Bophelo is committed to the United Nations' Sustainable Development Goals (SDGs) by investing in initiatives that provide opportunities and benefits to both South Africans and the global community.

By directly linking our performance to the SDGs we are able to track our impact with regards to important goals such as improving healthcare access, eliminating poverty and furthering economic development. In addition we are able to track and measure our work against a universally understood framework.

Our focus is working towards SDG 3 (Good Health and Well Being). which sets international targets to ensure healthy lives and promote well-being for all at all ages. and SDG 5 (Gender Equity). which sets targets and monitors the progress of gender equality towards women and girls' empowerment.

Now more than ever. the necessity of investment in South African healthcare is evident. with an overcrowded public infrastructure and underfunded and understaffed rural healthcare institutions.

An investment in South African healthcare is vital due to overcrowded public infrastructure. underfunded and understaffed rural healthcare institutions. Our investments in eight hospitals. primarily in rural and peri-urban locations across four provinces. will play a pivotal role in reducing the high burden of disease and making South Africa's SDG 3 targets attainable.

Our investments are concentrated in healthcare, specifically hospitals and the majority of staff at these facilities are nurses, who are females, which will assist in achieving the SDG 5 targets.

RHB is also targeting the shortage of healthcare workers and specialists in South Africa through our investments in a nursing college and we plan to invest in other private medical and dental schools.

RHB is excited to be one of the first healthcare related businesses in South Africa to directly tie its goals and progress to the SDGs. This confirms our ongoing commitment to being a market leader in corporate social responsibility and sustainability.

RH Bophelo continues to establish policies and practices for conducting operations in an environmentally sound manner; to respect and protect the local. regional and global environment; and to support sustainable. social and economic development while fulfilling our healthcare mission.

The Board has developed various ESG policies, which are filtered through to the various portfolio company Board's as a guiding principle to be implemented and approved. The hospitals/facilities further develop Standard Operating Procedures (SOPs) to regulate compliance with the policies within their facilities.

ESG reporting is undertaken through independent assurance providers at RHB assets annually. Corrective action plans are drawn up and timeframes are provided to rectify any shortcomings discovered. The reports are tabled to the Board and social and ethics committee. which monitors the compliance thereof.

HOW WE ARE ADVANCING THE SDGS

RHB is committed to creating an ecosystem that delivers value to South Africans in the lower to middle-income brackets by investing in decreasing the costs of healthcare insurance. We are also committed to working towards achieving universal health coverage in concert with the government's NHI rollout.

We are also targeting the shortage of healthcare workers and specialists in South Africa through its investments in a nursing college and plans to invest in other private medical and dental schools. For our hospitals to differentiate themselves from the pack our employees must not only be good at their job but should also be good in interacting with people both in and out of the office. We therefore provide extensive soft skills training alongside technical skills.

SDG 3

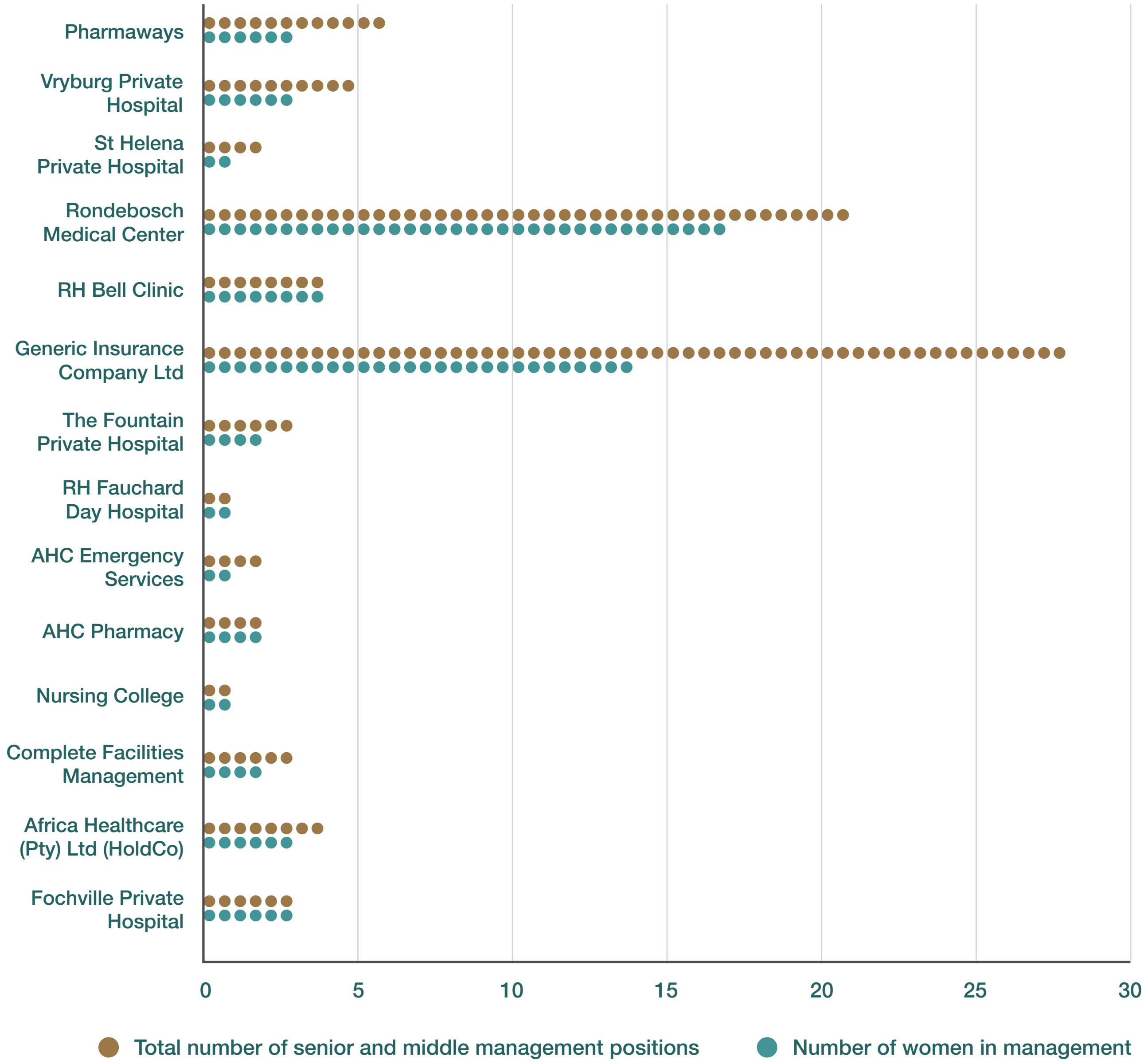
To achieve SDG 3 (Good Health and Well Being) targets. the investee companies focused on monitoring statistics on maternal mortality and neonatal mortality. There were no maternal mortality and neonatal mortality cases recorded during the reporting period. Maternity and neonatal statistics are not applicable for some investment companies which are either hospital management companies insurance companies or the hospital not having provisions for the neonatal and maternity wards.

SDG 5

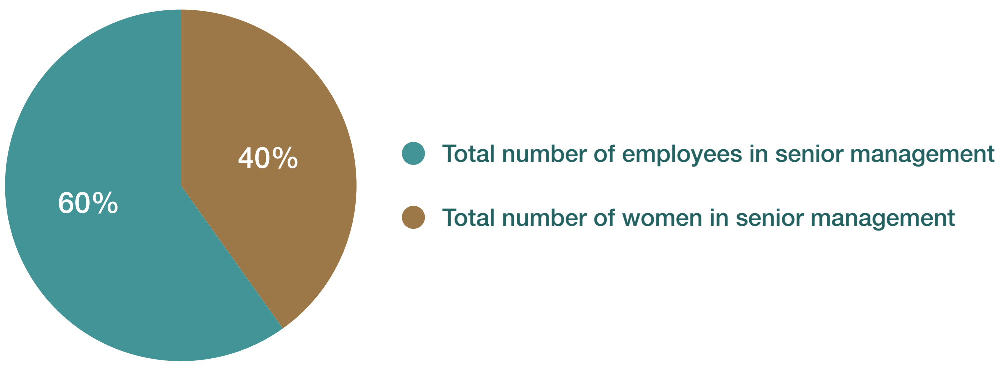
	Number of women in management	Total number of senior and middle management positions	Percentage of women in management positions
Fochville Private Hospital	3	3	100.00%
Africa Healthcare (Pty) Ltd (HoldCo)	3	4	75.00%
Complete Facilities Management	2	3	66.67%
Nursing College	1	1	100.00%
AHC Pharmacy	2	2	100.00%
AHC Emergency Services	1	2	50.00%
RH Fauchard Day Hospital	1	1	100.00%
The Fountain Private Hospital	2	3	66.67%
Genric Insurance Company Ltd	14	28	50.00%
RH Bell Clinic	4	4	100.00%
Rondebosch Medical Center	17	21	80.95%
St Helena Private Hospital	1	2	50.00%
Vryburg Private Hospital	3	5	60.00%
Pharmaways	3	6	50.00%
Phelang Bonolo Healthcare Procurement & Management (Pty) Ltd	N/A	N/A	
LocumBase*	0	0	0%
Westmart Financial Services	2	4	50.00%
Total	**59**	**89**	

Start up entity

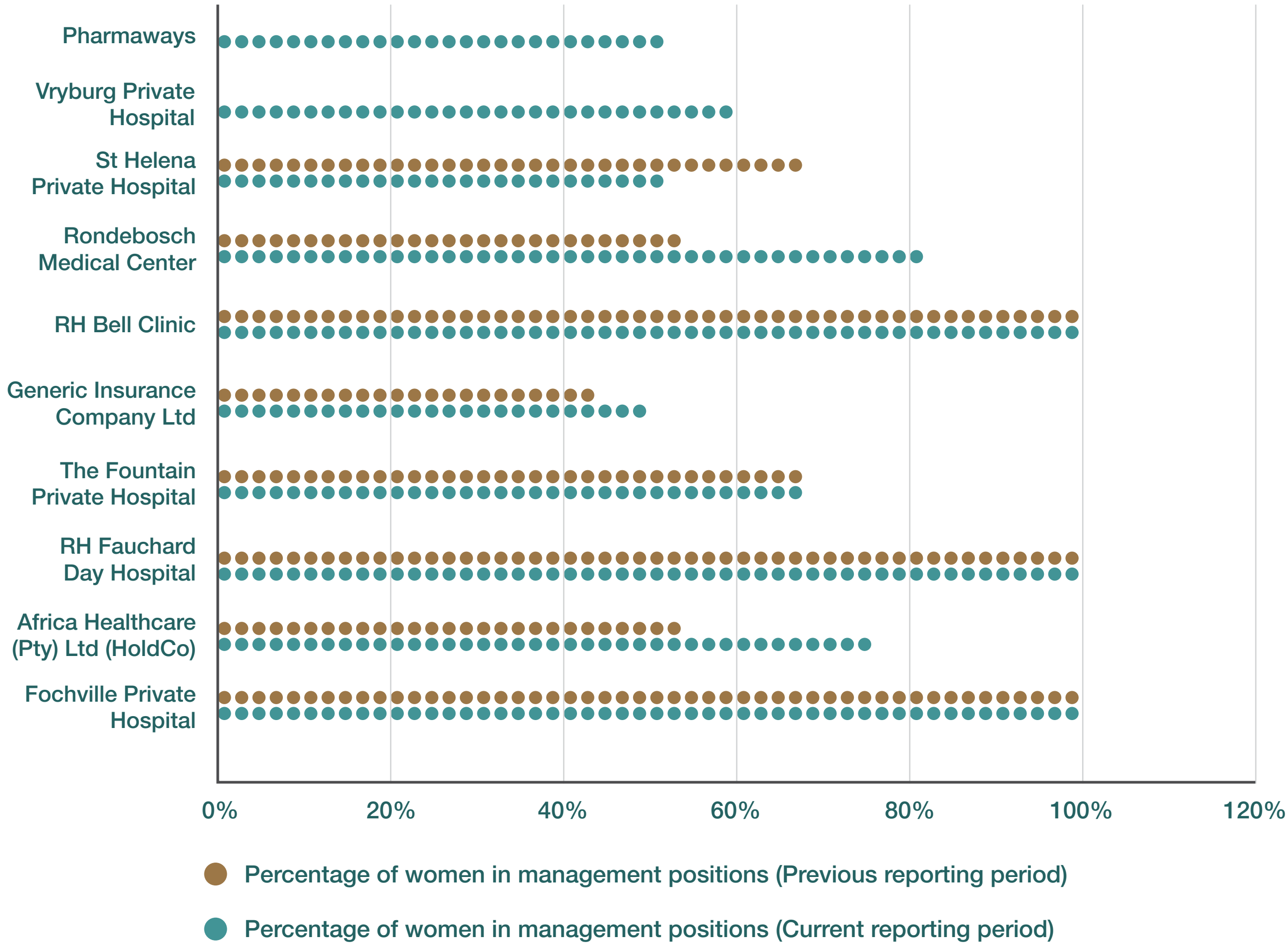
SDG 5: OUTPUT 1



SDG 5: OUTPUT 1 (CONSOLIDATED)



SDG 5: OUTPUT 2



OUR APPROACH TO ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

We integrate ESG considerations and effectively manage ESG issues at all stages in the investment process. All investment opportunities are reviewed against our environmental and sustainability policy and any additional requirements imposed by funders. In addition to this, we review the compliance of all investments against the respective local social and environmental legislative requirements. We incorporate the International Finance Corporation (IFC) performance standards, King IV, and all relevant legislation into ESG evaluations.

The Board has developed various environmental, social and governance policies, which serve as a guiding principle and are filtered through to the various subsidiary Boards to be implemented and approved. Hospitals and facilities have further developed additional standard operating procedures to regulate compliance.

The ESG assessment cycle

Pre-investment screening:

1 ESG due diligence is undertaken

2 Suitable level of ESG due diligence is assigned, together with the appropriate internal/external resources to support the process

3 Investment opportunities with a high ESG risk profile – independent experts and consultants appointed for an impact assessment and recommendations on avoidance and mitigation

4 All the outcomes included in the transaction documentation and investment plan

Post-investment phase

5 ESG requirements and guidelines standardised and codified

6 Assist investee companies in effectively and proactively avoiding and/or mitigating all ESG risks

7 Implementation of controls and management thereof where required if avoiding adverse effects is not feasible

Environmental, social and governance reporting is undertaken through independent assurance providers at all RH Bophelo's assets annually. Corrective action plans are drawn up, and time frames are provided to rectify any shortcomings discovered. The reports are tabled to the social and ethics committee, which monitors the compliance thereof.

In cases where RH Bophelo is not a majority shareholder, we seek alignment with shareholders at the transaction structuring phase. Additionally, every reasonable effort is made to encourage the other shareholders to give full consideration of ESG issues and apply best practice.

ESG DUE DILIGENCE PROCESS

Scope identification

Identify aspects that are relevant to the industry by considering the sector, size of the operations and the location of the business.

Materiality assessment

Enhance our analysis through identifying risks from various ESG categories that have a direct or indirect influence on the company's sustainability.

Data collection

Obtain information on the quality of the company's ESG management systems in relation to the risks.

Content development

Assess the ESG risks and opportunities relating to the Company and identify needs for improvement. Verify if these are fully incorporated into the Company's policies to enhance sustainability.

Recommendation for improvement

Formulate an action plan together with the management of the Company, detailing areas of ESG concern as identified, with risk levels, actions required, timeframe and proposed responsibilities.

ESG REPORTING

RHB investee companies are required to undertake ESG reporting annually. The scope of reporting is based on the International Finance Corporation's ("IFC's") Performance Standards on Environmental and Social Sustainability, United Nations Principles for Responsible Investment ("UNPRI"), The Companies Act, No. 71 of 2008, as amended ("the Companies Act"), The King IV Report on Corporate Governance for South Africa 2016 ("King IV") and other local environmental and labour laws and regulations applicable to the Company.

The data analysis matrix is formulated specific to individual industry sectors. The most important and relevant ESG aspects dependent on the Company's specific operations and location is selected. Some ESG risks and opportunities faced by a company are unique to that specific facility and area/country. These risks and opportunities are constantly changing as do the compliance laws and legislations as well as the nature of the portfolio's activities. We recognise the need to be dynamic and abreast of these legislative amendments and flexible in our approach to tailor our analysis accordingly.

ENVIRONMENTAL

RH Bophelo continues to establish policies and practices for conducting operations in an environmentally sound manner; to respect and protect the local, regional, and global environment; and to support sustainable, social, and economic development while fulfilling our healthcare mission.

At all times we are cognisant of considering the impact of our operations on the local community and ensuring that potentially harmful environmental and social effects are appropriately assessed, addressed, and monitored.

Environmental issues

1. Resource efficiency and pollution prevention

The investee companies consider ambient conditions and apply technically and financially feasible resource efficiency and pollution prevention principles and techniques that are best suited to avoid, or where avoidance is not possible, minimise adverse impacts on the environment.

2. Air emissions

Sources of air emissions at the hospital/facility may include exhaust air from heating, ventilation, and air conditioning (HVAC) systems. Emissions may consist of exhaust emissions from medical waste incineration if this waste management option is selected by the hospital. In addition, air emissions may result from combustion-related to power generation.

Some hospital/facilities use the heat from the HVAC system to regenerate heat for alternate use. Air emissions from incineration are not applicable as none of the facilities have incinerators. All generators are diesel-powered.

3. Waste water

Contaminated waste water may result from discharges from medical wards and operating theatres.

Hospital operators have health-related risk management plans covering risks related to laundry, cleaning, and waste segregation. All waste water is discharged into the municipal sewage system as per municipal regulations.

4. Waste management

The hospitals/facilities will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the facility will reduce the generation of waste and recover and reuse waste in a manner that is safe for human health and the environment.

The hospital operator ensures that a waste segregation procedure is incorporated and documented into the hospital's waste management plan. The waste management plan includes training provided to staff on the proper management of waste storage. The ESG process also ensures that waste management processes and policies are in place.

The removal of healthcare hazardous waste is outsourced to third parties. Contractors' licences are verified through the ESG reporting process.

5. Biodiversity conservation and sustainable management of living natural resources

RH Bophelo has a biodiversity policy that ensures, through its investments, that it sustainably manages and mitigates impacts on biodiversity and ecosystems throughout its operations to:

i) Protect and conserve biodiversity;
ii) Maintain the benefits from ecosystem services; and
iii) Promote the sustainable management of living natural resources by adopting practices that integrate conservation needs and development priorities.

We consider direct and indirect project-related impacts on biodiversity and ecosystem services through our risks and consequences identification process and identify any significant residual effects. This process considers relevant threats to biodiversity and ecosystem services, mainly focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading and pollution. It also considers the different values attached to biodiversity and ecosystem services by affected communities and, where appropriate, other stakeholders.

As a matter of priority, the Company seeks to avoid impacts on biodiversity and ecosystem services. When avoidance of impacts is not possible, measures to minimise the effects and restore biodiversity and ecosystem services are implemented. Given the complexity in predicting project impacts on biodiversity and ecosystem services over the long term, The Company adopts a practice of adaptive management. The implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the hospital's/facilities lifecycle.

If applicable during the acquisition of vacant land, the Company retains competent professionals to conduct the risks and impacts identification process to conclude a biodiversity and heritage impact assessment prior to investing.

SOCIAL

Social issues

1. Labour and working conditions
The policies of RHB and our investee companies are:

- To promote fair treatment, non-discrimination and equal opportunity of workers.
- To establish, maintain and improve the worker-management relationship.
- To promote compliance with national employment and labour laws.
- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties and workers in the Company's supply chain.
- To promote safe and healthy working conditions.

The human resources policies for our healthcare facilities are managed through the hospital operating companies or directly through the investee company. Compliance is monitored through the ESG reporting through the social and ethics committee.

Employee forums are created, and employees are encouraged to participate and provide feedback to stimulate two-way communication.

RH Bophelo supports and encourages its staff to improve their skills and capabilities to remain relevant. This is done through training and development committees. We consider employee promotions, where suitable, and encourage internal career growth.

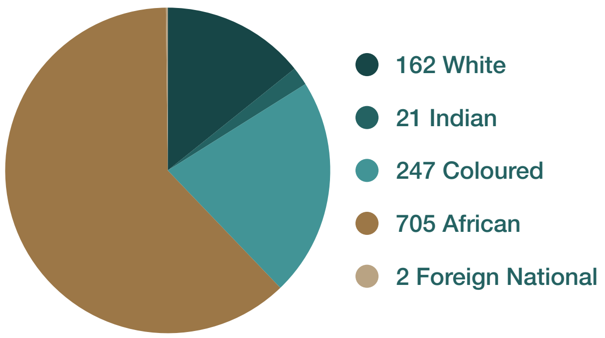
We are committed to ensuring fair and competitive salaries. Remuneration is benchmarked against industry companies.

Our nurses and hospital staff are exposed in the frontline of COVID-19, and we are committed to protecting all our employees. This includes proper knowledge, training, and protective equipment to enable them to serve our communities.

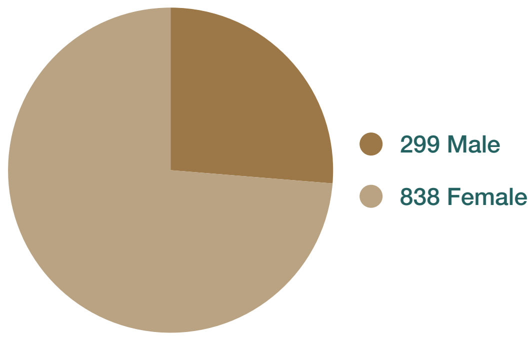
2. Broad-Based Black Employment Equity
RH Bophelo promotes the economic empowerment of all black people, including women workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies. Refer to page 41 for further details on RH Bophelo's BEE policy.

The graphs below reflect our current labour composition at RH Bophelo owned hospitals/facilities based on race and gender.

Employee split by race



Gender split for RH Bophelo investments



3. Occupational health and safety

Through our hospitals and facilities, we provide a safe and healthy work environment by taking steps to prevent accidents, injury and disease arising from, associated with, or occurring in the course of work.

4. Stakeholder relations

A community liaison officer is appointed to manage the local community's expectations in relation to sub-contractors used during the upgrade of a hospital/facility. The hospital operator is required to manage the community's expectations post-construction of the hospital. Should the required skills be available within the community, the local community will be prioritised for the staff vacancies within the hospital. The hospital operator endeavours to use skilled SMEs from within the community for sub-contracted services.

Refer to the below CSI initiatives and our stakeholder engagement plan on page 43 for further details.

ADVANCING GENDER EQUALITY

RHB has a gender action plan in place. The scale of the Healthcare Sector challenge and its impact on women is substantial and is directly linked to the challenges raised in the UN Special Report. These include the fact that women devote on average roughly three times more hours a day to unpaid care and domestic work than men, which leads to lower earnings for women and less time to engage in non-work activities. In addition to equal distribution of economic resources, which is not only a right, but accelerates development in multiple areas, there needs to be a fair balance of responsibility for unpaid care work between men and women. In the private sector women globally occupy less than a third of senior and middle management positions and only 13% of South Africa's executive directors are women. South Africa has various pieces of legislation aimed at preventing gender discrimination in the workplace. Yet, the country has a stagnant median gender pay gap of between 23% and 35%. The majority of the employees within the healthcare sector are nurses, who are predominantly female. Employees are either contracted through a permanent contract or employed through an agency.

The objective of the gender action plan (GAP) is to develop an understanding on the issues of gender within the group; to ensure that the policy programmes and activities include a gender perspective and to promote the considerations of gender issues at all policy levels.

The GAP includes:

- The inequality identified;
- The actions to be undertaken;
- Specific measures and targets to be implemented to achieve change within the organisation; and
- The responsible individuals who will carry forward the tasks to completion.

The GAP includes:

- Gender impact assessment: Overview of the process to assess gender mainstreaming activities
- Regulatory framework: Overview of the regulatory framework in South Africa with regards to gender mainstreaming
- Roles and responsibilities: Description of roles and responsibilities for managing gender mainstreaming within the RH Group operations
- Capacity building and training: Overview of capacity building and training requirements for gender mainstreaming
- Independent grievance redress mechanism: Indicate the process for receiving, evaluating and addressing project-related grievances
- Review and monitoring: Overview of the process to review and monitor gender mainstreaming activities.

In terms of gender related statistics we are cognisant of:

- Ensuring that all labour policies comply with international best practice and local labour legislation with regards to the minimum age employed, violence against women and girls, sexual abuse, minimum wage, equal opportunity, BEE, equal rights etc.
- Monitoring to ensure that the Company and the portfolio companies have implemented the various Human Resources (HR) policies, and adherence to the policies.
- Statistics are obtained annually on the employee composition, split between gender, management roles, training, and development (based on gender and value spent).
- Procurement spend, in relation to BEE suppliers used, enterprise development, the promotion of utilizing women owned businesses from within the local community especially where the Company has facilities, utilising local contractors during the construction phase of facilities, using local labourers in line with procurement policy.
- Addressing the imbalance in the wage gap between men and women by undertaking frequent remuneration benchmarking exercises.

TRANSFORMATION AND BROAD-BASED BLACK EMPOWERMENT (B-BBEE)

The Board of RH Bophelo is committed to the transformation and empowerment objectives of South Africa. The company believes that a B-BBEE Policy is necessary to detail the Company's plan to ensure adherence to social and economic transformation.

We recognise that integrating transformation into our business practice is crucial for the sustainability of the Company and industry, and it is especially imperative in the context of South Africa.

The Company recognises the importance of a multifaceted, broad-based and integrated approach to BEE in the transformation of the macro socio-economic space where it is active, as well as for the long-term sustainability of South Africa.

In this context, the Company has developed its B-BBEE policy based on the following principles:

- The Company recognises its responsibility towards its shareholders to continually deliver attractive returns on their investment continually. Any B-BBEE initiative must remain cognisant of the interests of shareholders as stakeholders in the business.
- An inclusive approach to BEE, which is broad-based and deliberately advances previously disadvantaged communities, ensuring that the benefits are spread as widely as possible.
- The empowerment of the Company's own employees remains a priority. However, being a responsible corporate citizen, the Company has a role to play in the empowerment, economic development and social upliftment of the broader society.
- In advancing B-BBEE, the Company ensures that there is a positive net effect on its business interests. Human resources, development and skills transfer remain critical components for sustainable B-BBEE, and they are perceived to be the key ingredients in the success of any B-BBEE programme.
- The Board is committed to promoting diversity in its members across a variety of attributes relevant for promoting better decision-making and effective governance, including the field of knowledge, skills and experience as well as age, culture, independence, race and gender.
- The Board has approved a race and gender policy that sets out the Board's commitment and approach in promoting race and gender diversity at Board level over a reasonable transition period. The Board sets targets for gender and race representation in its membership through its remuneration and nominations committee. The Company has disclosed its performance against these targets in the governance report on page 67.
- The Company has achieved a Level 1 B-BBEE scorecard in the 2021 financial year. The Company has engaged the services of a BEE verification agency to obtain their BEE scorecard, and at the time of publishing this report, was still awaiting the scorecard. The Company's B-BBEE rating for the current financial reporting period is still underway; the results will be made available on www.rhbophelo.co.za.

CORPORATE SOCIAL RESPONSIBILITY

Our commitment to supporting and advancing the communities in which we operate is encapsulated in our CSI projects. During the year we participated in several CSI projects through the RH Foundation NPC spending R1.7 million. RHB made donations which gave the foundation a mandate to spend the money for education and training initiatives, corporate social responsibility projects, and supplier development.

Our CSI projects are focused on:

Employee wellbeing

Employee bursaries

Internship programmes

Supplier development

Health awareness campaigns

OUR RESPONSE TO COVID-19

It has been just a little over two years since the South African government declared the National State of Disaster in March 2020. Since then, we have witnessed a pandemic that has negatively impacted the way we live while putting the healthcare sector under severe pressure.

As a significant player in the South African healthcare sector's value chain, RH Bophelo remains committed to the safety of communities, providing state-of-the-art medical facilities to patients and carrying the ethos of affordable healthcare for all. The experience we have accumulated in the past two years has assisted us in applying critical protocols and safeguards in a timely and effective manner, ensuring that operations remain safe for all staff members.

THE DELTA AND OMICRON WAVES

In response to the rapid spread of the COVID-19 Delta variant, the country was on Level 4 from 28 June to 25 July 2021. By the time of the fourth wave the night time curfew on movement was lifted driven by the belief that we had passed through the worst of the COVID-19's 4th wave and its accompanying Omicron variant based on the trajectory of the pandemic, vaccination levels and available capacity in the health sector. While the Omicron variant has a higher rate of transmission than other variants the rates of hospitalisation and death has been lower than previous strains of the virus.

Hospital admissions have declined in eight of South Africa's nine provinces. The South African DoH showing a 2.9% weekly decrease in new cases detected in the week ending 25 December 2021. With close to 3.5 million infections and 91 000 deaths, South Africa has been the worst-hit country in Africa during the pandemic. Presently, the country is no longer in a state of disaster and is at the lowest of its five-stage COVID-19 alert levels. Wearing of masks in indoor public places no longer is mandatory, with breaches no longer considered a criminal offence.

We apply strict COVID-19 safety protocols to minimise any negative impact the virus might have on our employees, customers, service providers and public at large.

LOOKING AHEAD

We encourage embracing the new ways of working and will do all we can to remain productive while continuing to support staff members on the frontlines. We strive to ensure the safety of all staff, their families and the communities in which we operate to the greatest practical extent. Currently, while the Company encourages employees to vaccinate it will not require employees to be vaccinated against COVID-19. This determination may however change, should the Company's operational requirements change. A vaccination policy is in place detailing the Company's approach.

RH Bophelo continues to support and comply with all government and client requirements to manage the pandemic, and strict workplace procedures have been adopted to guarantee that the group continues to provide services responsibly in order to fulfil its role as a responsible corporate citizen.

STAKEHOLDER ENGAGEMENT

We use a people-centric, stakeholder-inclusive approach to value creation in the short, medium, and long-term(s). Relationships are at the heart of who we are and what we want to accomplish. We are dedicated to understanding the needs, expectations, and concerns of our stakeholders, acknowledging that our ability to produce value is influenced by a number of factors.

OUR IDENTIFIED STAKEHOLDERS (INCLUDING AT INVESTEE COMPANIES)

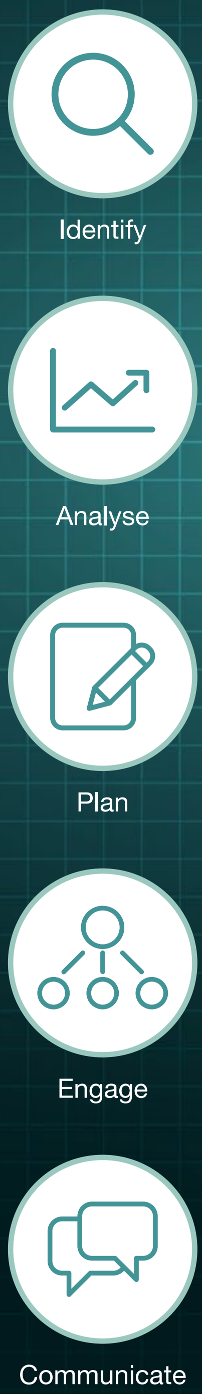
Shareholders and investors
Media
Communities and the environment
Suppliers
Healthcare practitioners and specialists
Workforce
Customers
Government and regulators

STAKEHOLDER RELATIONS

The Board has created a stakeholder interactions strategy to foster a relationship structure based on transparency, open communication, consultations, and fair and trustworthy treatment. Our policies encourage stakeholders to participate in the Company's business and activities through effective coordination and communication that is open, honest and creates long-term relationships built on trust. The social and ethics committee is tasked with overseeing the Company's stakeholder engagement compliance.

The Company's corporate website serves as a communication channel for the Company's stakeholder engagement policy. The Company's purpose is to inspire stakeholders to become more involved.

In its relations with stakeholders, the Company accepts and promotes the following basic principles:



STAKEHOLDER ENGAGEMENT

Shareholders and investors

Provide the financial capital needed to sustain and grow

Priority interests

- Strategy to ensure sustained finacial performance
- Responsible investments to ensure growth and to manage the risks and opportunities
- Timeous and adequate information
- Minimising risk of investment
- Sound corporate governance practices
- Promotion of ethical corporate governance

Engagement and initiatives

Government and regulators

Custodians of legislative and regulatory requirements and providers of licences

Priority interests

- Regulatory compliance

Engagement and initiatives

- Consultations and periodic meetings with regulatory authorities, directly and through industry organisations
- Membership of industry associations
- Participation in government forums
- Meetings with government healthcare officials on National Health Insurance (NHI)
- Engagements with National Hospital Network (NHN)
- Positioned as thought leaders on affordability of healthcare
- Liaison with Department of Health (DoH) and government in supporting its hospitals for readiness to admit COVID-19 patients

Workforce

Employees at the health facilities

Priority interests

- Build a resilient workforce
- Ensure the health and safety of our employees
- Increase engagement
- Provide employees with the necessary resources and support to remain safe and productive as we adapt to the 'new normal'
- Fair and market related remuneration
- Career development opportunities
- Transformation at all levels
- Job security
- Employee health and wellness

Engagement and initiatives

Healthcare practitioners

Responsible for taking care of patients

Priority interests

- To offer affordable healthcare to patients
- To build stronger relationships with the health practitioners
- To have in place a more focused approach to healthcare

Engagement and initiatives

Suppliers

Providers of equipment, legal, financial, IT services, professional and outsourced services

Priority interests

- Fair negotiations
- Quality and cost effectiveness
- Fair payment terms
- Local representation and opportunities to uplift small enterprises
- Work with suppliers with regard to our ESG goals

Engagement and initiatives

- Supplier registration processes and meetings
- Contract and service agreement negotiations
- Continuous engagement with suppliers throughout procurement and vendor application process
- Implementation of purchase orders across the business for better control and governance
- Streamlined payment processes to minimise delays, for quick and efficient settlement

Communities and the environment

Within which our healthcare facilities operate

Priority interests

Focus on improving lives by creating:
- Business opportunities for local enterprises
- Jobs for unemployed youth and other community members
- Collaboration with non-governmental organisations (NGOs)
- Build skills capacity
- Invest in CSI projects
- Climate change, biodiversity, energy efficiency and water management

Engagement and initiatives

Our key stakeholders and the issues that concern them are outlined below:

- Continued transparent communication and engagement with investors
- Long-term focus and strategy communicated in integrated report
- Annual and interim results presentation
- Trading updates and statements
- SENS announcements
- Company website

- Integrated report
- Property tours
- Road shows, conferences, one-on-one meetings
- Investor perception surveys
- AGM

Customers

Investees including hospitals

Priority interests

- Access to healthcare
- Enhanced value
- Understanding our investment strategy

Engagement and initiatives

- Facilities ready to provide support and care during the next COVID-19 wave
- Regular communication including quarterly investment updates
- Surveys and media platforms

- Employee participation and feedback encouraged to stimulate two-way communication
- Formalised induction
- Training and development committees
- Remuneration is benchmarked against industry companies

- Engagement with senior management through in-person and virtual platforms on COVID-19 protocol and implementations
- Employee committees and regular meetings
- Employee surveys
- Suggestion boxes

- Formal and informal meetings between the hospital managers and healthcare practitioners across the investee companies
- Monthyl visits to doctors by senior management
- Records detailing the frequency and general outcomes of meetings
- Continuous Professional Development (CPD) sesssions for investee companies

- Health awareness days
- Engagements with healthcare practitioners undertaken by Kiaat Private Hospital:
- Distribution of branded calendars and maternity booklets to specialists.
- Monthly newsletters Wellness days

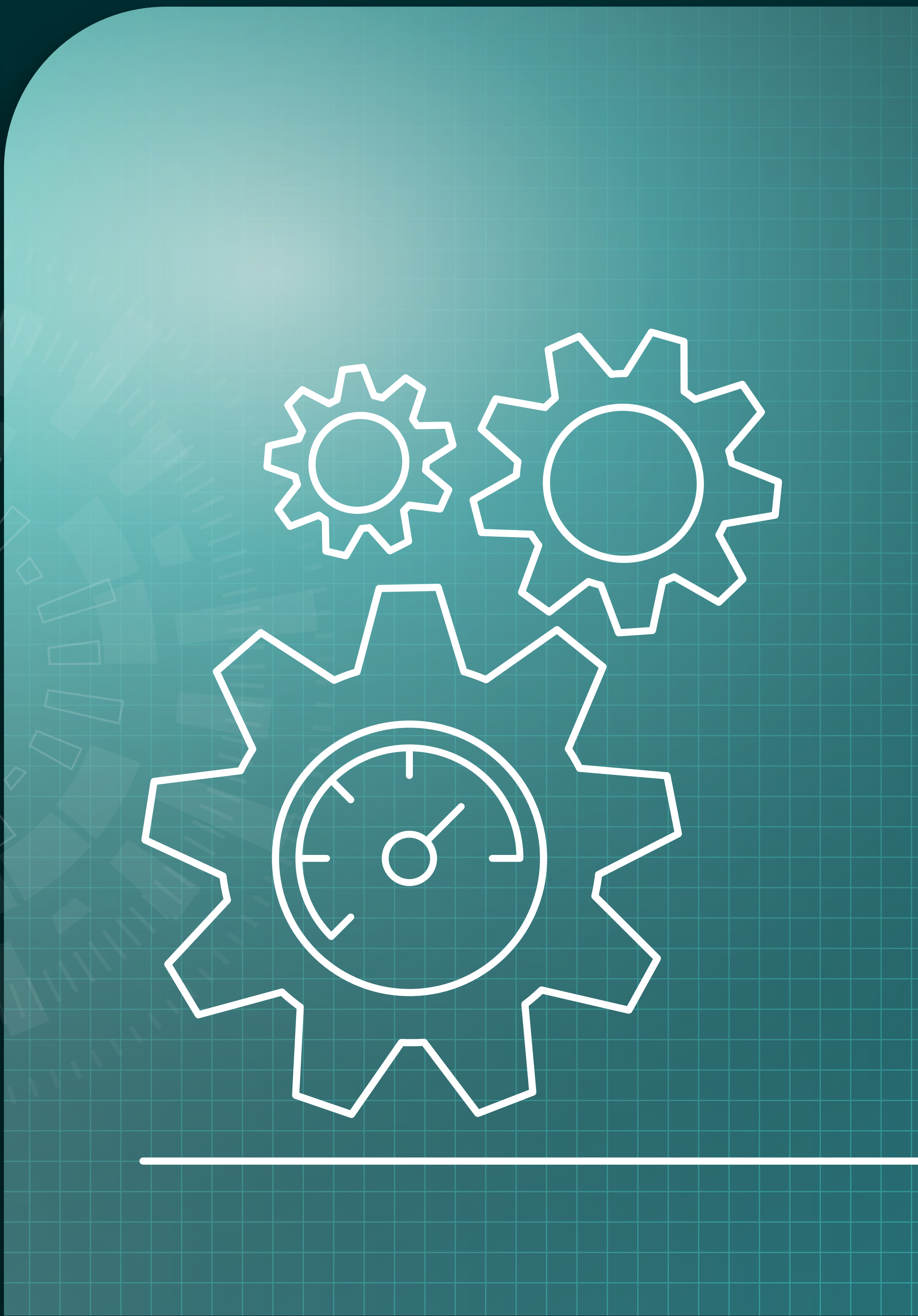
Media

Keep stakeholders informed of business developments, new products and services and the impact of our business operations

- Drive brand awareness
- Crafting key messages setting out the direction and strategic imperatives
- Building media relationships
- Transparent and accurate reporting to media
- Managing media enquiries

- A mailbox for questions on the corporate website
- Regular media updates based on the company's role within the healthcare industry specifically ito COVID-19
- Press releases
- Individual and group meetings
- Channels of communication on social networks

- CSI
- Company website
- Direct engagement around community concerns, facilitated through personal interaction
- Supporting local business as well as ensuring local employment through the various service providers
- Inclusion of local groups as shareholders within investments
- Interactions within the community – meetings with church leaders, municipalities, schools, South African Police Service (SAPS) and old age homes
- Community outreach programmes undertaken by hospitals
- ESG reporting within hospitals
- CSI projects undertaken by RH Bophelo as reflected on page 40



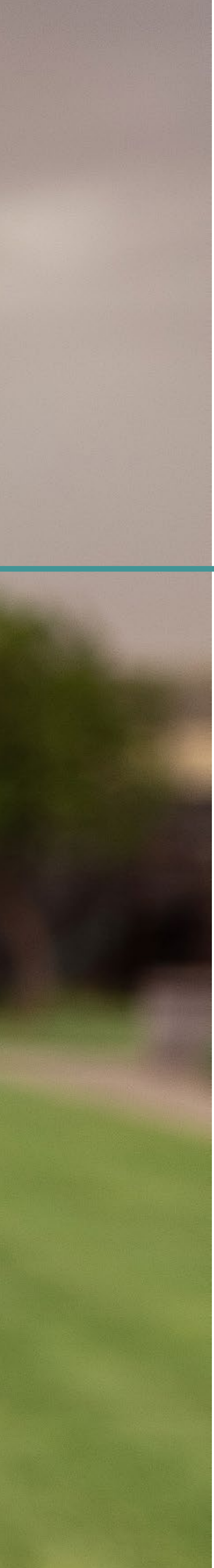
04

OUR PERFORMANCE

DEFINING INVESTMENT **EXCELLENCE**

CHIEF EXECUTIVE OFFICER'S REPORT

Quinton Zunga
Chief Executive Officer



> A customer-focused business knows the importance of putting people first specifically the clients, healthcare workers and employees. RHB is cultivating a culture of happy, successful and fulfilled employees that ultimately deliver a better customer experience. We believe that customers like happy employees and will spread the word and return.

THE YEAR IN REVIEW

We have grown significantly since 2017 into a large African healthcare company with over 500 employees in our subsidiary companies (see page 17). Our growth as an organization has required a focus on refining operations (understanding every aspect of the business and ensuring that we are controlling costs, and running efficiently, without constraining the business). The focus of the business has thus been on delivering a value for money proposition that our patrons can understand. As such, going forward it is our intent to place our customer at the center of our operations.

AFFORDABLE QUALITY HEALTHCARE – A CUSTOMER-FOCUSED BUSINESS

Affordable healthcare coupled with a customer- focused business empowers employees to make decisions that are for the benefit of the customer. Customer satisfaction is one of RH Bophelo's priorities and we want employees to not be restricted by rules and think laterally in taking care of the customer, always cognisant that it is not illegal, unethical nor harms the Company's reputation. Employee policies and procedures are in place and are positioned as guidelines rather than hard and fast rules as we want to encourage employees to think outside the box and take considered risks. Further, we want to allow employees to prudently spend money on keeping the customer happy.

By contrast, employees in operations-focused companies always require the manager's permission to pursue anything outside of their policies and out of the ordinary.

Our people

At RHB we seek to employ people who fit the Company's culture which is vital to a customer-focused company[1]. Management selects individuals who have personalities and core values which align with the Company's vision and mission. Managers are cognisant that skills alone do not tell the whole story and therefore search for people with a thinking style that integrates into the work environment.

[1]An operations-focused business will hire for skill, filling a position with technical strengths. They search for people who have the best skills, knowledge and capabilities for the job. They are not as diligent about whether the personality of the applicant fits the corporate culture.

We are committed to training employees on soft skills, such as relationship building and customer service, alongside technical skills. We realise that for our hospitals to differentiate themselves from the pack our employees must not only be good at their job but also at interacting with people, both in and out of the office.

At RHB we believe that as leader in customer-focused businesses we are responsible for the setting the vision and mission and most importantly leading by example. Watching their leaders in action inspires and motivates the workplace to follow their lead[2].

Putting people first

A customer-focused business knows the importance of putting people first specifically the clients, healthcare workers and employees. RHB is cultivating a culture of happy, successful and fulfilled employees that ultimately deliver a better customer experience. We believe that customers like happy employees and will spread the word and return.

An operations-focused company develops a culture focused on systems, procedures, and the bottom line. We have done this and believe that we have fine-tuned our operations to the point where we have policies, procedures and systems focused on operations. These elements are important to every company's success. However, solely focusing on them prevents us from considering people as more than just cogs in a machine. It is difficult for an employee to learn to put the customer first when they feel the Company continually puts the employees last.

At RHB we look at customer service as a philosophy to be embraced by every employee of the Company. We recognise that we have both external and internal customers. Every employee in the Company is seen as being responsible for espousing our brand, sales and customer satisfaction.

It can be a challenge to put customer service first as focusing on operations is typically the first thing one thinks of. At the same time, there is a ceiling to the impact one can make in bottom line savings. There is no ceiling on the impact one can make focusing on customer, client and community satisfaction. The point is not that one does not need the basics of operations but rather that the basics can help drive a customer-focused company.

LOOKING AHEAD

We will continue to build on our ecosystem of affordable healthcare such as the pharmaceutical distribution network and healthcare insurance for the uninsured. We are also looking at investments or partnerships in an agency platform for nurses which alleviates the burden of payroll on hospitals. Another focus area is technology in hospitals and upgrading and improving this which in turn will lead to greater efficiencies and cost savings. Our acquisition targets remain mental health and oncology and we will assess all opportunities in these sectors.

As part of our people-focused philosophy we are also assessing an ownership participation scheme for doctors so that they can participate in ownership of the hospitals.

APPRECIATION

My thanks to all the people who contribute towards achieving our goal of being a customer-focused business – our employees, customers, suppliers and other stakeholders. My appreciation also to our Board for their support and wise counsel during the year.

Quinton Zunga
Chief Executive Officer
30 June 2022

[2]Leaders of operations-focused companies also set the vision and mission of the culture, however, they won't necessarily follow it themselves. Their "Do as I say, not do as I do" approach makes employees confused. They are left demotivated when they observe that the behaviour of their leaders is incongruent with what they preach.

CHIEF FINANCIAL OFFICER'S REPORT

Dion Mhlaba
Chief Financial Officer

KEY FINANCIAL INDICATORS FY22:

- Net asset value increased by 5% year on year, from R864 million to R904 million;
- Investment income decreased by 54% year on year, from R189 million to R88 million;
- Dividend income increased by 243% year on year, from R7 million to R24 million;
- Total income before tax decreased by 62% year on year, from R167 million to R64 million;
- Total income after tax decreased by 60% year on year, from R131 million to R53 million;
- Basic earnings per share and headline earnings per share decreased by 62% to 82,7 cents per share (2021: 217,5 cents per share); and
- Net asset value per share increased by 5% to 1 397,3 cents per share (2021: 1 335,6 cents per share).

Looking ahead, the Company will be introducing debt finance to its capital structure in order to bolster its capacity to participate in market opportunities in South Africa and the region; and also continue its strategic support for existing investments.

As a business deeply committed to playing a part in improving the healthcare systems in South Africa and the continent at large, RH Bophelo takes great pride in our ability to identify and explore investment opportunities in the healthcare and financial services sector. Since our listing in 2017, we have remained focused on developing investee companies to improve their capabilities and capacity to deliver optimal performance. The overarching strategy of the business is to allocate and deploy capital to investee companies and provide support to management teams to meet their performance goals. Over the past year, this has translated into the growth in net asset value to R904 million in 2022 from R864 million in 2021.

Ensuring alignment between the investee companies and RH Bophelo remains the key focus area for management and across all investments. Over the past two years, we have obtained insights into the overall state of the healthcare system in ways that few could have imagined. The need to keep the business operational throughout the pandemic, has forced all of us to learn and adapt on the job. The performance of the past two years during a challenging period, gives us confidence that the group strategy remains aligned to the objectives outlined in the Company's pre-listing statement.

Over the past 12 months, we have seen the impact of the pandemic on the country's economic outlook. The deterioration in the macroeconomic outlook, as well as the emergence of new variants, have an inevitable knock-on impact on key metrics such as affordability of healthcare services and utilisation rates – which all directly impact the cash-generating capacity of our assets. This created a downward drag on valuations of the various investments. Improvements in vaccination rates and the eventual end of the State of Disaster, have improved the medium-term outlook for the business.

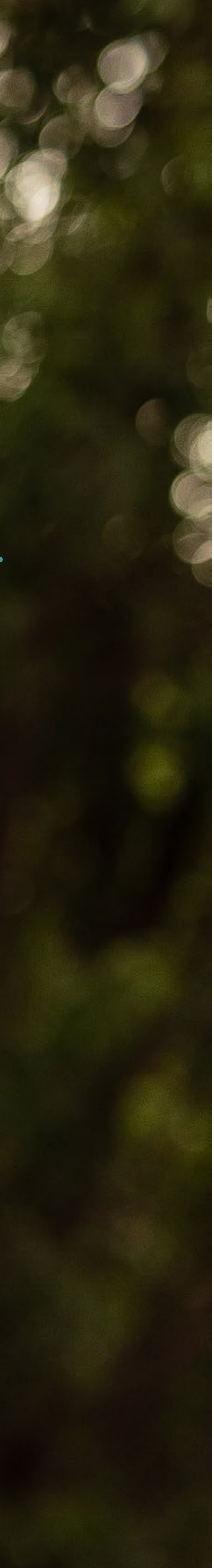
Over the past year, the Company has used the availability of excess capital to return cash to shareholders. A maiden dividend of R9 million was declared on ordinary shares. The B-share dividend of R3.9 million – relating to an investment management incentive model – was also declared and paid for the first time during the 2022 financial year.

Looking ahead, the Company will be introducing debt finance to its capital structure in order to bolster its capacity to participate in market opportunities in South Africa and the region; and also continue its strategic support for existing investments.

Dion Mhlaba
Chief Financial Officer
30 June 2022

CHIEF INVESTMENT OFFICER'S REPORT

Colin Clarke
Chief investment officer



Since inception we have built an ecosystem that speaks to our value chain. We have made strategic investments in areas that are designed to drive traffic to our hospitals, by bringing to market health insurance products at price points desired by our people, we continue to make it conducive for doctors to practice at our facilities, as well as utilising information technology to reduce key costs in our hospitals.

Private equity and venture capital firms' investments in healthcare are frequently viewed as indicators of current and future technology demands in the industry. Patient needs or expectations, societal changes, and technological advancements can all influence these requirements. As the healthcare industry and society in general emerges from COVID-19 it is no surprise that fields like behavioural health, remote patient monitoring (RPM), telemedicine, cybersecurity, and virtual fitness are attracting greater levels of attention and investment capital.

The areas in which the RHB will examine during the course of the year are:

- Telehealth;
- Virtual care;
- Remote patient monitoring; and
- Healthcare AI.

As we believe these to be the areas in which value can be created, staff recruited and retained and efficiencies obtained while keeping RHB at the forefront of healthcare provision in South Africa specifically and Africa in general.

The pandemic and the response in South Africa has exposed fault lines within the healthcare industry when it comes to underserved populations. RHB must structure a part of its offering to become a digital health company and in so doing start to address previously unmet needs for underserved populations as social consciousness shifts.

Consumers will continue to demand three key things in healthcare namely: (i) access; (ii) price and (iii) outcomes. As part of access, consumers expect a patient experience in healthcare that is on par with the tech, retail and financial industries. Patients expect a seamless digital experience as they navigate scheduling, medication orders and follow-up communication. To create this experience, RHB will need data seamlessly integrated between electronic medical records and technology platforms to support the patient journey.

RHB management is anticipating a sustained increase in valuations of start-ups focused on underserved populations. Access to care and health equity will continue to be a priority in healthcare and we believe that investments in the future will reflect same. We can expect a rise in the number of healthcare related start-ups and expect to see growing markets in social entrepreneurship and impact investing. This is also a space ripe for public-private partnerships and joint ventures between interdisciplinary players to generate stronger and more sustainable impact together. We at RHB hope to be at the forefront of this movement in South Africa and Africa.

Capital raising in the current economic environment has proven challenging however, we have had successes in telling the RH Bophelo story, and conveying our mission to which we have gained traction with institutional investors, global development finance institutions, as well as being ably supported by the local South African banking community at asset level.

Colin Clarke
Chief Investment Officer
30 June 2022

05

ACCOUNTABILITY

DEFINING INVESTMENT **EXCELLENCE**

OUR DIRECTORATE

NON-EXECUTIVE DIRECTORS

John Rabagadi Oliphant
(40)

Non-executive director and chairman
Date of appointment: 27 Mar 2017

Qualification: BSc (Actuarial Science & Mathematical Statistics), BSc (Hons) Advanced Mathematics of Finance (University of Witwatersrand), and MSc Finance (Economic Policy) (University of London, SOAS)

John is a founder and chairperson of Third Way Asset Management Group and is also a director and chairperson of Third Way Investment Partners, All-Weather Capital, and Boxwood Property Fund. He is also a founding non-executive director of Maia Capital Partners. Prior to this, John was the principal executive officer of the Government Employee Pension Fund (GEPF). He also served on several key strategic industry initiatives, including being a member of the PRI Advisory Council and chairperson of the Code for Responsible Investing in South Africa (CRISA) Committee and was recognised by the Mail and Guardian as one of the Top 200 Young South Africans in 2012 for his contribution to the world of pensions.

Bojane Segooa
(37)

Independent non-executive director
Date of appointment: 4 Oct 2019

Qualification: Bachelor of Accounting Science (University of South Africa); BCompt Honours (University of South Africa), CA(SA)

Bojane is a qualified chartered accountant and an award-winning social entrepreneur with extensive experience in financial management, corporate tax, risk management and corporate governance. Her company's leading product, LevelsApp, is a career guidance digital platform that offers a lot of useful information to learners and jobseekers. The app got her selected as a finalist in the national edutech category of the Southern African Start-Up Awards. She is also a recipient of the Innovation Support Programme Research Award, which is given by the Department of Science and Technology.

Dinao Modirwadi Lerutla
(42)

Non-executive director
Date of appointment: 11 Oct 2019

Qualification: CFA Charterholder, MPhil Dev. Finance (USB), BBusSc (Business Finance Honours, UCT)

Dinao is co-founder and managing partner of Maia Capital Partners and founder of Maya Group and Fifth Dimension. She has more than 16 years of experience across various roles within corporate and investment banking at corporates such as Nedbank Corporate Banking, EY Corporate Finance as well as Royal Bafokeng Holdings.

Dr Kgaogelo Rachel Ntshwana
(45)

Independent non-executive director
Date of appointment: 27 Mar 2017

Qualification: MBChB (University of Cape Town), Fellowship of The College of Physicians of South Africa (CMSA), Certificate in Gastroenterology for Physicians (CMSA)

Dr Ntshwana is a specialist physician and a sub-specialist in medical gastroenterology and hepatology. As a specialist consultant in the Department of Medicine in the Wits circuit of teaching hospitals, she served as an associate lecturer and was involved in the academic training programmes of medical students and registrars. During her earlier years in the fraternity, she worked in a variety of disciplines, including surgery, anaesthesia, and paediatrics, before settling on internal medicine. In 2013, she established a private gastroenterology practice.

Detailed CVs are available on our website [direct URL]

NON-EXECUTIVE DIRECTORS

Lyndsay Maseko
(40)

Independent non-executive director
Date of appointment: 17 Nov 2021

Qualification: Online Business & Management Development 2020, MCom Auditing 2015, BCom (Hons): Accounting & CTA 2004, BCom Accounting 2002

Lyndsay is currently the chief financial officer of Ntsimbintle Mining (Pty) Ltd. Prior to this, he served as the audit committee chairperson of the BEE consortium. In 2008, Lyndsay was appointed UJ's first black chartered accountant qualified lecturer and since then has lectured all four accountancy disciplines, three of those at postgraduate level. During his time at UJ, Lyndsay served as a member of the UJ Tender Committee and as part of the executive committee of the Accountancy department at UJ, heading the portfolio "transformation and decolonisation".

Dr Phetole David Sekete
(68)

Non-executive director
Date of appointment: 27 Mar 2017

Qualification: BSc (UNIC), MBChB (Natal University), MSc Med (University of Witwatersrand)

Dr Sekete has 40 years' medical experience, working in both public and private hospitals and has extensive management experience in healthcare, property, and environmental health. He owns a leading healthcare risk waste management company, Buhle Waste (Pty) Ltd along with Sekete Healthcare and Wellness Centres (Pty) Ltd. He gained vast experience in community outreach health system in Kathorus areas. He is a director of MEDITECH South Africa (Pty) Ltd and Acsion Limited.

Samson Moraba
(67)

Independent non-executive director
Date of appointment: 23 Jun 2022

Qualification: B Comm. Degree, majoring in Economics and Banking, from the University of South Africa (UNISA)
PMD (Harvard Business School)

He has served as the Chief Executive Officer of the National Housing Finance Corporation (NHFC), from 1999 until his retirement in 2020. In his earlier career, he was exposed to Information Technology (IT) as a Business Systems Analyst in various industries within the Banking, Mining, Retail, Engineering, and Manufacturing sectors. Between 2004 and 2007, Samson served as the Chairman of the African Union for Housing Finance (AUHF).

Since 2016, Samson serves as Non-Executive Chairman on the Board of Directors of the South Point Management Services. He has also served as a Non-Executive Chairman for Teba Bank Limited (2002-2007), the Trust for the Urban Housing Finance (2003-2022), and the Social Housing Foundation.

Dr Solomon (Solly) Gabriel Motuba (58)

Lead independent non-executive director
Date of appointment: 27 Mar 2017

Qualification: MBChB (MEDUNSA), MBA (University of Pretoria), Digital Marketing Diploma (VEGA), Diploma in Financial Management (Damelin), Certificate in Administration of Estates (University of South Africa), FILPA (Institute of Life and Pension Advisors)

Dr Motuba co-founded Cure Day Clinics, Vmed Medical Aid Administrators, and Validate Software Solutions and is a former Board member of BHF. He has served on several medical aid Boards, in the capacity of a healthcare consultant or as a trustee and has previously served as a principal officer for two medical schemes, one closed scheme and one self-administered open scheme, and as a CEO for a third-party medical aid administrator. He has also worked as an executive in charge of a managed care organisation, followed by a stint with the South African Medical Association (SAMA), where he was employed as the Head of Private Practice.

OUR DIRECTORATE

EXECUTIVE DIRECTORS

Quinton Zunga
(45)

Managing director and chief executive officer
Date of appointment: 27 Mar 2017

Qualification: BBusSc, MSc (University of London)

Quinton is the founder and current chief executive officer of RH Managers (Pty) Ltd. Prior to this, he was co-founder and executive director of Arkein Capital Partners. He has 19 years of high-level business experience, including 12 years of professional experience at senior levels in investment banking and four years' private equity experience. Quinton was a director at Bank of America Merrill Lynch SA (BofAML), and head of its debt capital markets for South Africa and Sub-Saharan Africa. He was also head of debt capital markets at Absa capital, a role he assumed after the merger of Barclays and Absa Bank. Quinton has served on the executive committee of the Debt Insurers Association (SA), and as an associate of the Institute of Bankers.

Colin Wayne Clarke
(56)

Chief investment officer
Executive Director
Date of appointment: 2 Sep 2019 (Board)

Qualification: BA, Political Science (The University of Texas at Austin, USA), MBA (Said Business School Oxford University, UK), JD (The University of Denver, USA), Advocate High Court SA

Colin is currently Chairman of Benguela Global Fund managers, a South African asset management firm with both equities and fixed income products and an AUM of R8 billion. He has held a number of Chairmanships and membership of Board Committees. Colin has extensive international legal, private equity (serving as legal counsel and partner) and corporate finance experience with listed and multinational organisations including Amoco Oil, the African America Institute, the Africa Regional Assistance Electoral Fund and NAIF (part of the Sloan Financial Group). Colin has also served as a Chief Investment Officer for Sishen Iron Ore's Community Development Trust, and Chief Operating Officer of the National Empowerment Fund in South Africa. Colin is also an Advocate in the High Court of South Africa, and the holder of a Category I FSB License.

Katekani Dion Mhlaba
(36)

Chief financial officer
Date of appointment: 27 Mar 2017

Qualification: BCom (Accounting) (Hons) (University of Johannesburg), CA(SA)

Katekani has worked with KPMG, Nedbank, Industrial Development Corporation (IDC), Development Bank of Southern Africa (DBSA) and Shanduka. His audit focused on credit modelling, interpretation of investment agreements, model audit, accounting, budgeting, taxation, and accounting for financial instruments such as bonds, preference shares, debentures, loans, money market instruments and valuation of equity and hybrid instruments. He has also worked with Afripalm Resources and Sakhumnotho Group Holdings on fundraising, project review and stakeholder relations.

Vuyokazi Phatheka Nomvalo
(41)

Executive director
Date of appointment: 27 Mar 2017

Qualification: BCom (Hons) (University of South Africa), CA(SA)

Vuyokazi completed her articles with PricewaterhouseCoopers in 2009, where she served within the financial services sector where she audited various financial institutions, including Standard Bank Equities, First National Bank Credit, Liberty Life, Absa Credit and RMB Merchant bank (RMB Stockbroking, RMB Securities and RMB Morgan Stanley). She subsequently joined the IDC as a Business Analyst, during which time she gained valuable experience in deal-making within various sectors, including the Renewable Energy Independent Power Procurement Programme (REIPPP). In 2014, she joined RH Managers as an investment principal.

COMPANY SECRETARY

Rajeshree (Ragni) Naicker
(48)

Company secretary (Representative of Corporate Vision Consulting)
Date of appointment: 27 Mar 2017

Qualification: CIS Professional Advanced Qualification in Governance and Administration, Associate Member of the Chartered Institute of Business Management (CIBM)

Ragni has over 25 years professional experience and has worked at Investec Asset Managers and RMB Private Bank and was later appointed Group Company Secretary for a property fund listed on the JSE. Her vast knowledge in finance, company secretarial roles and corporate governance was instrumental in helping RH Bophelo list on the JSE. She also played a pivotal role in setting up the governance structures for funds listed on the Nigerian Stock Exchange, the Stock Exchange of Mauritius, and the London Stock Exchange.

INVESTMENT COMMITTEE

Fulufhelo (Fulu) Makwetla
(42)

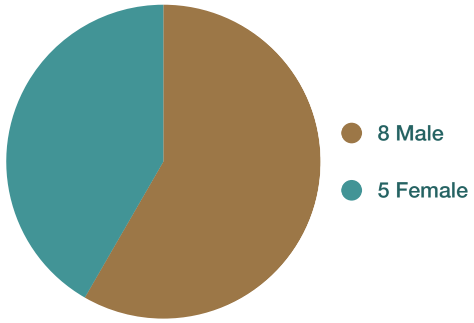
Member of the investment committee and non-executive director of the ManCo
Date of appointment: 22 Mar 2018

Qualification: BCom Econometrics, BCom (Hons) Economics, (University of Pretoria)

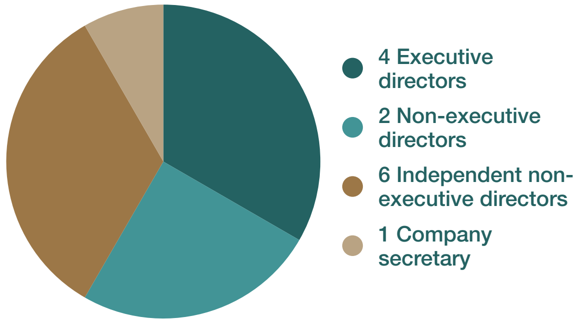
Fulu is the co-founder and managing director of Third Way Investment Partners and has over 17 years of industry experience. She is also a non-executive director of the South African Venture Capital and Private Equity Association (SAVCA), All Weather Capital and Fundi Capital. She was previously the investment manager of the GEPF. During her tenure at the GEPF, she served on various committees and represented the GEPF on advisory Boards of Private Equity Funds. Prior to joining the GEPF, Fulu consulted for pension funds, insurance companies and medical schemes in Southern Africa. She was an employer elected trustee of the RisCura Provident Fund and worked for RMB Asset Management.

BOARD COMPOSITION

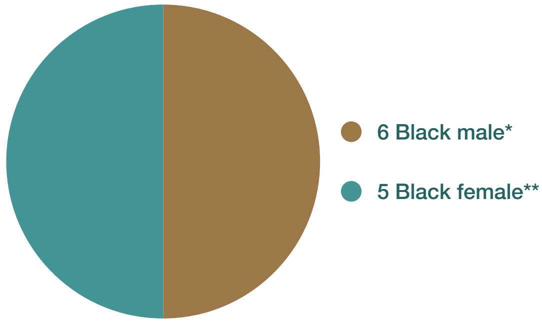
Gender



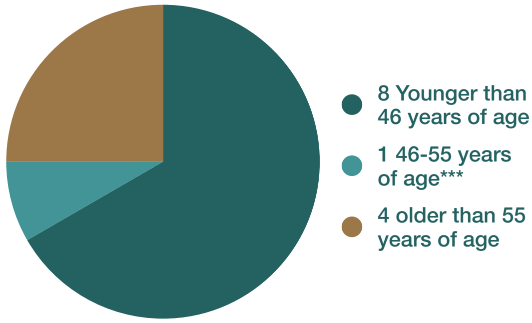
Balance of power



Race diversity



Age



** Quinton Zunga and Colin Wayne Clarke are black males with foreign nationality*
***Including Company Secretary*
****Company Secretary*

ETHICAL LEADERSHIP

RH Bophelo is committed to the highest standards of business integrity, ethical culture and professionalism, which are governed by laws and legislations. Our business code of conduct and ethics policy expresses the commitment of the Board and senior management to the values, principles and standards that will set the tone from the top to support an ethical culture within the Company. We embrace our responsibility of conducting business in accordance with governing laws and regulations, which is why we uphold transparent, active and ongoing engagement with regulators and supervisors. The longevity and success of the Company will depend on the delivery on our mandate, generating returns to investors, our ethical culture and the Boards commitment to leading RHB effectively in order to maintain the trust and confidence of our stakeholders.

OUR CORE VALUES

Honesty and integrity

In line with our business code of conduct and ethics policy, we commit to act in a fair, honest and responsible manner, with due skill, care and diligence in all our business interactions, avoiding any act that reflects adversely on the Company's professional competence and reputation.

Accountability

We abide by all applicable legislation, industry codes and the Company's rules, procedures and regulations. RHB recognises and honours the constitution of the Republic of South Africa and complies with all South African and applicable foreign laws, regulations and company policies that are in force and have a bearing on our business. We do not engage in any criminal or malicious activity that may harm the reputation or wellbeing of our brand. The Company adopts zero tolerance to unethical business conduct relating to bribery, fraud and corruption.

Quality

We are committed to delivering quality and value in every aspect of our work. Through our investments, we dedicate ourselves to providing high-quality care to patients within all our facilities.

Care, compassion and respect

We are passionate about quality healthcare and professional excellence. We listen with empathy and respond with compassion. Patients are entitled to dignity and privacy, and we combine expertise, compassion and technology to support safe patient care. We comply with all applicable laws and regulations relating to quality healthcare and safety for all our patients, irrespective of social status, ethnic origin, gender, capacities, or any other differentiating characteristics.

Community relationships and the environment

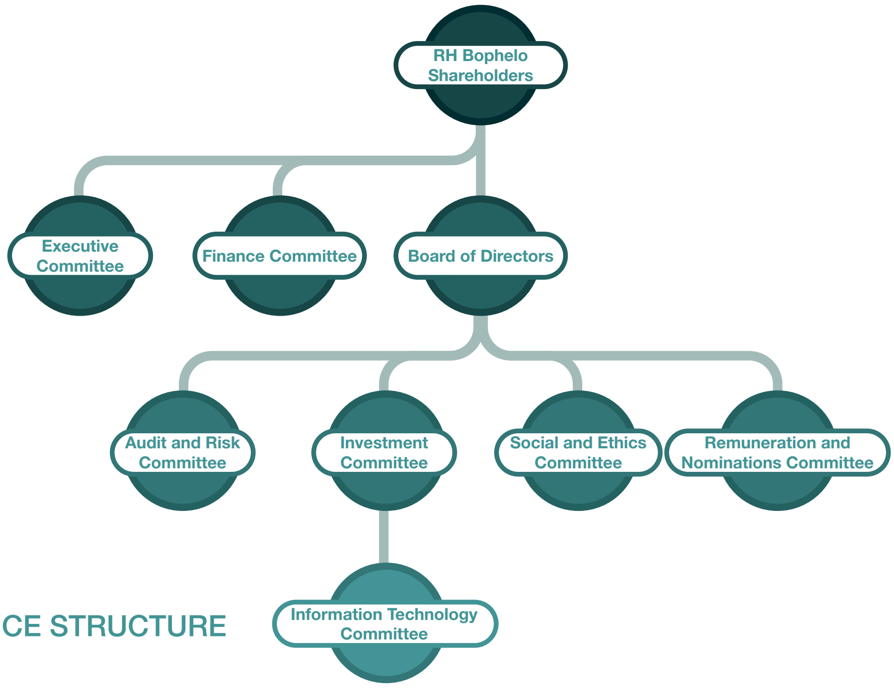
We have a vital role to play within the communities we serve, to build and foster strong relationships, encourage open and transparent communication, and to manage the overall welfare of the community and environment. At every level of engagement, we will continue to respect their rights and dignity. We pledge our commitment to improving the material well-being of the communities in which we operate and to introducing sustainable healthcare services that will fulfil their needs. We will also carefully consider the utilisation of natural resources, including energy and water resources and ensure effective contribution to sustaining our environment for the future.

RH Bophelo has adopted the following policies to assist in ensuring an ethical culture:

- Code of conduct and ethics
- Anti-corruption and bribery policy
- Whistleblowing policy

GOVERNANCE REPORT

The Board's pivotal role is to create value through its strategy, implement policies, ensure capital prudence, and oversee the group's governance frameworks.



GOVERNANCE STRUCTURE

The Board

Independent Non-Executive Directors

- Dr Solomon Motuba* (Lead-independent)
- Dinao Lerutla*
- Dr Kgaogelo Ntshwana
- Bojane Segooa
- Lyndsay Maseko
- Samson Moraba

Non-Executives

- John Oliphant (Chairman)
- Dr Phetole Sekete

Executive Directors

- Quinton Zunga (CEO)
- Colin Clarke (CIO)
- Dion Mhlaba (CFO)
- Vuyokazi Nomvalo (TransEx)

Investment Committee Member and Non-Executive Director of ManCo

Fulufhelo Makwetla

Company Secretary

Corporate Vision Consulting (Pty) Limited (Rajeshree Naicker)

Responsibilities

- Maintaining the highest standards of governance, ethics and integrity
- Strategic input – strategic planning and monitoring
- Protecting assets and providing financial oversight
- Serving on committees or working groups
- Selecting, supporting and reviewing performance of the Chief Executive Officer
- Board performance evaluation

*1. Lyndsay Maseko was appointed as an independent non-executive director effective 17 November 2021. 2. *Dr Solomon Motuba and Denao Lerutla retire by rotation at the upcoming annual general meeting and will not offer themself for re-election. 3. Samson Moraba was appointed as a member of the board and as a lead indipendent director on the 23 of June 2022, subject to shareholder approval.*

BOARD COMMITTEES

Audit and risk committee	Remuneration and nomination committee	Social and ethics committee	Investment committee
Dinao Lerutla (C) Dr Solomon Motuba Dr Kgaogelo Ntshwana Bojane Segooa Lyndsay Maseko Samson Moraba	Dr Kgaogelo Ntshwana (C) Dinao Lerutla[2] John Oliphant Bojane Segooa[3]	Dr David Sekete (C) Dr Solomon Motuba Vuyokazi Nomvalo Bojane Segooa	Colin Clarke (C) Dinao Lerutla Fulufhelo Makwetla Dr Solomon Motuba Vuyokazi Nomvalo Dr Kgaogelo Ntshwana John Oliphant Dr David Sekete
Roles and responsibilities			
• Safeguarding of the Company's assets; • Operation of adequate systems and internal control processes; • Oversight of preparation of financial reports and statements that fairly present the results in compliance with all applicable legal requirements and accounting standards; • Compliance with good governance practices; • Nomination of the external auditors, considered to be independent, whose appointment is subject to shareholder approval; • Interaction with external auditors; • Ensuring that the Company has implemented a practical risk management plan that will enhance the Company's ability to achieve its strategic objectives.	• Assist the Board in determining and administering the remuneration policy; • Approve the remuneration of all the executives; • Oversee incentivisation of all employees; • Consider any other matters relevant to remuneration of the executive directors and staff; • Identify suitable Board candidates to fill vacancies on the Board and sub-committees; • Ensure that there is a succession plan in place for key management and members of the Board; and • Assess the independence of non-executive directors and the composition of the Board sub-committees.	• Fulfilling the statutory duties set out in regulation 43 of the Act; • Overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships; • Assisting the Board in facilitating and supporting the development of transformation objectives; • Monitoring the Company's activities against global responsibility protocols, including the United Nations Global Compact (UNGC) and the principles of the Organisation for Economic Co-operation and Development (OECD); • Monitoring compliance with the B-BBEE Act, gender, and race diversity principles; and monitoring corporate citizenship, consumer relations and the Company's impact on the environment, health, and public safety within its investments.	• Overseeing the investment of all assets owned in the portfolio. • Overseeing the investment policies for RHB have been formulated in consideration of the Company's anticipated financial needs and its tolerance and appetite for assuming investment and financial risk. • The CIO's purpose is to understand, manage, and monitor the Companies portfolio of assets, devise strategies for growth, act as the liaison with investors, and recognize and avoid serious risks, including those never before encountered • Responsible for balancing the portfolio • Ensuring that the Investment Policy is formulated in consideration of the Company'sies anticipated risk tolerance • Responsible for the valuation policy, valuation process and approving the valuations withinat the investment committee

Notes

1. *Lyndsay Maseko was nominated as a member of the audit and risk committee on 17 November 2021 and will assume the role of Chairperson of the committee effective 25 May 2022*
2. *Dinao Lerutla stepped down as a member of the remuneration and nomination committee on 16 February 2022*
3. *Bojane Segooa was appointed as a member of the remuneration and nomination committee on 23 February 2022*
4. *Dinao Lerutla resigned as a member of the Audit and Risk Committee effective as at the date of the AGM*
5. *Dr Solly Motuba resigned as a member of the Audit and Risk Committee effective as at the date of the AGM*

C. *Chairperson*

BOARD AND SUB-COMMITTEE MEETINGS ATTENDANCE

Member	Board	Audit and risk committee	Remuneration and nomination committee	Social and ethics committee	Investment committee
Non-executive directors					
John Oliphant	4/5		2/2		2/3
Dinao Lerutla	5/5	8/8	0/2		3/3
Dr Solomon Motuba	5/5	7/8		2/2	3/3
Dr Kgaogelo Ntshwana	3/5	5/8	2/2		3/3
Dr David Sekete	5/5			2/2	3/3
Bojane Segooa	4/5	7/7*		1/2	
Lyndsay Maseko	0/2*	3/3*			
Samson Marabo	0/0	0/0			
Executive directors					
Quinton Zunga	5/5				
Dion Mhlaba	5/5				
Vuyokazi Nomvalo	4/4*			1/1*	2/2
Colin Clarke	5/5				3/3
Fulufhelo Makwetla					3/3

Notes

1. *Vuyokazi Nomvalo was absent due to family responsibilty leave*
2. *Bojane Segooa attended first meeting as an ARC member in September 2021*
3. *Lyndsay Maseko has been appointed as a member of the Board and an Audit and Risk Committee member effective 17 November 2021 subject to shareholder approval at the upcoming AGM*
4. *Samson Moraba was appointed as a lead independent director to the board and the audit and risk committee on the 23rd of June 2022.*

THE BOARD

The Board assumes responsibility for the Company's performance by steering and setting the direction for the realisation of the Company's core purpose and values through its investment policy strategy. With the support of its committees, the Board oversees and monitors the implementation and execution by management of the policies and priorities and ensures that the Company accounts for its performance. The Board meets to consider the business and strategy of the Company. The Board reviews reports from the sub-committees and independent advisors.

During the financial year five Board meetings were held. Agendas for Board meetings are prepared by the Company Secretary in consultation with the Chairman and the Chief Investment Officer.

The Board is governed by a Board Charter which is reviewed every two years. The Charter was last reviewed in February 2022.

RH Bophelo has a unitary Board with 12 directors, the majority of whom are Non-Executive Directors. The Board comprises four Executive Directors, six independent Non-Executive Directors and two Non-Executive Directors.

The JSE Listings Requirements prescribe that the Chairperson must be an Independent Non-Executive Director, failing which the Company must appoint a Lead Independent Director. The Board is chaired by John Oliphant, and Dr Solomon Motuba has been appointed as Lead Independent Director, he will be replaced by Samson Moraba subject to shareholder approval.

The Board has approved a policy on the balance of power at Board level to ensure a clear division of responsibilities. The roles of Chairperson and CEO are separate, and the composition of the Board provides a balance of authority, precluding any one Director from exercising unfettered powers of decision-making.

The Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence, facilitating independent judgement and broad deliberations in the decision-making process. All Directors, including the Independent Directors, have a comprehensive understanding of the healthcare industry as well as the business of the group. The Board appreciates that diversity at Board level is essential for sustaining a competitive advantage and is committed to ensuring a diverse and inclusive culture at Board level.

Non-Executive Directors of the Board are categorised as independent if it has been concluded that there is no interest, position, association, or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision making in the best interests of the Company. The Board assessed the independence of the Directors and was satisfied that they were independent in terms of Companies Act and King IV definitions.

The Board has established arrangements for periodic, staggered rotation of its members to invigorate its capabilities by introducing members with new expertise and perspectives, while retaining valuable knowledge, skills and experience and maintaining continuity. The Board has an immediate and interim succession plan in place in the event of an unforeseen event.

No Director has an automatic right to a position on the Board. All Directors are required to be elected by shareholders at an AGM. In a general meeting, the shareholders may appoint any person to be a director, subject to the provisions of the MOI.

All new Directors are provided with an induction pack containing information on the Company's constitution documents, policies and charters. During February 2022 all Directors underwent an induction which covered the following topics:

- Legal and governance: The legal framework; operating in a legislative and regulatory minefield
- Relevance of applying corporate governance principles and practices
- Practical considerations in view of legal and governance requirements
- International Financial Reporting Standards (IFRS)

A strategy workshop was held in November 2021. The Board recapped on the previous three-year strategy assessing what was promised versus what was delivered and looked at a three-year forward-looking strategy.
The Company Secretary arranges ongoing director training which is based on the board evaluation.

For details of directors' full names, appointment dates and a brief career synopsis, refer to pages 60.

OVERVIEW OF BOARD COMMITTEES AND RESPONSIBILITIES

The Board has ensured that its arrangements for delegation within its structures promote independent judgement and assist with the balance of power and the effective discharge of its duties. The Board committees within its structures perform their advisory and oversight function independently to deliver on its duties effectively. The Board approves the delegations to committees that are recorded through terms of reference.

The scope and responsibilities of the committees, as well as the appointment of new committee members, are determined and finalised by the Board. All terms of reference were reviewed and approved by the Board during the 2022 financial year.

For the Board committees to function efficiently, they have access to company information and any resources required to assist them in fulfilling their responsibilities, including professional advice, which is paid for by the Company, following an approved procedure.

In attendance, by invitation, the CEO, CIO, Transacting Executive (TE) and CFO are present at Board and sub-committee meetings to optimise access to relevant operational information. The company secretary attends all Board committee meetings.

GENDER AND RACE DIVERSITY AT BOARD LEVEL

The Board is committed to actively managing diversity as a means of enhancing the Company's performance. The Board has adopted a policy on the promotion of gender and race diversity at Board level. The process of identifying suitable candidates for appointment to the Board involves taking into consideration diversity and inclusion.

The current Board structure comprises 83% black Directors, of which 42% are female. The social and ethics committee set the following targets for gender and race diversity for the Company:

Gender	
Male	**Female**
Current	**Current**
58%	42%
Target	**Target**
60%	40%
Race	
Black	**Non-Black**
Current	**Current**
83%	17%
Target	**Target**
70%	30%

The JSE requires RHB to have a gender and race diversity policy and set annual targets on gender and race diversity within the organisation. The Company reports on whether it has achieved its targets on gender and race diversity in the integrated report.

DIRECTORS' INTERESTS

The Board takes note of the declaration of interest tabled at each meeting and identifies and acts on conflicts. RH Bophelo Directors, executives, employees and related parties are prohibited from trading in the Company shares during closed periods.

Subject to legal provisions, each member of the Board submits a declaration of all financial, economic, and other interests held by the director and related parties to the Board at least annually, or whenever there are significant changes.

At the beginning of each meeting of the Board or its committees, all directors are required to declare whether they have any conflict of interest regarding matters on the agenda. Any such conflicts are proactively managed, as determined by the Board and subject to legal provisions.

Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest. Directors' interests in the shares of the Company are disclosed on page 137.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the Company's securities by directors and company officials is regulated and monitored as required by the JSE Listings Requirements. In addition, RH Bophelo maintains a closed period from the end of a financial period to the date of publication of the financial results and during any period when the Company's shares are trading under a cautionary announcement.

COMPANY SECRETARY

Corporate Vision Consulting Proprietary Limited, represented by Ragni Naicker, acts as Company Secretary to RH Bophelo, duly appointed by the Board in accordance with the Companies Act. All directors have unlimited access to her services, and she is responsible to the Board for ensuring proper adherence to corporate governance principles.

In compliance with the JSE Listings Requirements, the Board evaluated the performance of the Company Secretary during February 2022 and is satisfied that the individuals who perform the Company Secretary role are suitably qualified and experienced to carry out the duties and responsibilities of Company Secretary competently and that there is an arm's length relationship between itself and the Company Secretary. In addition, the Board confirms that Ragni Naicker has not served as a director on the Board, nor does she take part in Board deliberations, but only advises on matters.

SELF-EVALUATION

The performance evaluation of the Board, its committees and individual Directors are conducted every second year as recommended by King IV. In February 2022, a formal review of the effectiveness of the Board, its sub-committees and individual Directors were undertaken through the Remunerations and Nominations Committee with the assistance of the Company Secretary. An opportunity was provided for reflection and discussion by the Board of its performance and that of its Committees, its chair, and its members as a whole.

There were several comments from the Board in the evaluations which can be highlighted as areas of improvement. The annual returns could be submitted in a timeous manner as late submissions attract penalties. It was proposed that Board members should deliberate constructively outside of the board meeting to get clearer information and clarification to avoid unnecessary and unconstructive debates in the meeting. Overall, there were no major issues or concerns identified, and it was agreed that the Board was operating effectively.

COMPLIANCE

The Company is subject to external regulation by various supervisory authorities. The principal applicable frameworks include the following:

- The King IV Report on Corporate Governance for South Africa;
- The JSE Listings Requirements;
- The Rwanda Stock Exchange Listings Rules;
- The Companies Act 71 of 2008, as amended, and the Companies Regulations; and
- The International Financial Reporting Standards

KING IV

King IV contains principles and recommended practices aimed at achieving corporate governance outcomes. The philosophy of the code consists of three key elements; leadership, sustainability and good corporate citizenship. Refer to our website the full report on our application of King IV https://www.rhbophelo.co.za/wp-content/uploads/2022/06/17085_RH-Bophelo-King-Code_FINAL.pdf.

INVESTMENT COMMITTEE REPORT

The investment committee is a non-statutory extension of RH Bophelo's Board. The committee is governed by the Investment Charter, Investment Policy, and procedures for the execution of the Company's investment strategy and oversees the IC's corporate actions. The Investment Committee establishes investment parameters and regularly reviews the performance of the Company's asset acquisition activity.

As custodian of the Fund's portfolio of assets, the committee is accountable to the Board. The Investment Committee's responsibilities and duties are stipulated in its Charter, and its mandate is aligned with the Company's business strategy as an investment holding entity.

The Company's Investment Policy prescribes the objectives, distribution policies and investment guidelines that govern the Investment Committee's activities.

The investment policy was formulated by taking into consideration RH Bophelo's financial needs, risk appetite and tolerance. It is managed consistently while heeding the short-term and long-term financial goals of the Company. However, it allows for sufficient investment flexibility in lieu of changing market conditions and financial circumstances.

The committee will review the investment policy statement at least once a year, and changes can only be made by affirmation of the majority of the committee members and material changes are subject to shareholder approval, as per paragraph 15.7 of the JSE Listings Requirements.

On 25 February 2019, the Board approved an investment Delegation of Authority (DOA) to RH Bophelo's investment committee to permit it to make certain investments on behalf of the Company. The DOA is limited to investments in any one financial year of R20 million, which is in keeping with RH Bophelo's strategy and mandate.

In May 2021, the Board reviewed the executive DOA to permit it to make certain investments on behalf of and for RH Bophelo. The DOA is limited to investments in any one financial year of R10 million and is in keeping with RH Bophelo's strategy and mandate. Professional fees shall not form part of the calculation in terms of the effective deal, but this shall not exceed 10% of the transaction.

INFORMATION TECHNOLOGY COMMITTEE

The Information Technology Committee (ITC) was constituted as a Sub-Committee of the Investment Committee to assist the Board in fulfilling oversight responsibilities by reviewing, giving guidance and making recommendations to management and the Board relating to the Company's technology strategy, initiatives and investments in support of the Company's overall strategy and technical performance.

The ITC will provide opinions and advice to the management concerning technology choices that RHB faces, as well as periodically review:

- The Company's approach to major technological innovations;
- Key technology trends that may result in disruptive threats or opportunities;
- High-level risks and opportunities associated with the Company's choice of technology partners and;
- The Company's technological competitiveness and new strategic technology initiatives.

EVALUATION

When RH Bophelo was listed in July 2017, there was never any doubt amongst the executives concerning what they wanted to achieve, which is to: "change the way investments are undertaken in healthcare in South Africa and Africa".

Of the initial R500 million raised, we have fully deployed. Though we have experienced rapid growth, we remain conscious of our mandate, the people we serve and the faith that our investors have placed in us. Refer to the investment portfolio on page 20 of the report.

Colin Clarke
Chairperson of the Investment Committee

REMUNERATION AND NOMINATIONS COMMITTEE REPORT

The Remuneration and Nominations Committee comprises three Non-Executive Directors, the majority of whom are independent and is chaired by an Independent Non-Executive Director.

The role of the Remuneration and Nominations Committee has been codified in the Remuneration and Nominations Committee Charter approved by the Board. This charter is aligned with the requirements of King IV, the Companies Act and the JSE Listings Requirements. The Committee reviewed the Remuneration and Nominations Committee Charter during the 2022 financial year.

The Company has a small payroll; therefore, all reference to 'employees' refers to current and future employees of the Company.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The Remuneration and Nominations committee's responsibilities and duties are governed by a Charter approved by the Board. The Board reviewed the charter during the 2022 financial year.

DIRECTORS' INDEPENDENCE EVALUATION

During the 2022 financial year, the Board, with the assistance of the Remuneration and Nominations Committee, undertook an evaluation of the Non-Executive Directors' independence. Through the analysis conducted, which is reflected in the governance report on page 66, the Board was able to classify five Directors as independent and two Directors as Non-Independent.

SUB-COMMITTEE REVIEW

The Remuneration and Nominations Committee reviewed the Board sub-committee's composition based on skills, gender, and race diversity. The Committee together with the Board have nominated Mr Lyndsay Maseko as a new member of the Board and a member of the audit and risk committee. The Board was satisfied that Mr Maseko was the right candidate for this position as he poses the skills, qualifications, and experience to fulfil his duties.

REMUNERATION POLICY REVIEW

The Company's remuneration policy was reviewed in 2022. The policy was based on current Board remuneration practices in the market and the realisation of a benchmark study of similar size organisations in the financial services sector. The revised remuneration policy provides the approach and necessary guidelines on the remuneration of services rendered to the Board by its members.

The methodology used included the following:

- Study of the annual reports;
- Remuneration practices of the Company;
- Frequency of meetings;
- Skills levels of Board members (ascertained through discussions with management);
- Size of the Company; and
- The Company's previous remuneration policy document.

During June 2022 the Remuneration and Nomination Committee and the Board approved an amended Remuneration Policy. The policy was amended to reflect that RH Bophelo will endeavour to engage with the Shareholders if there is a 25% or more dissenting votes on the Remuneration Policy or implementation report (or both). This is to ascertain the reasons for the dissenting votes and address the concerns raised. Addressing the concerns may include a review and amendment of the Remuneration Policy and/or clarification of the Remuneration Policy.

PERFORMANCE MATRIX FOR NON-EXECUTIVE DIRECTORS

The Remuneration and Nominations Committee through the ManCo assisted in overseeing the performance matrix for Non-Executive Directors. Non-Executive Directors were rated during the current year on their performance, which ratings are reflected on the remuneration implementation report below.

RH BOPHELO REMUNERATION POLICY EXTRACTS

1. Board members will be remunerated in the form of meeting fees per meeting attended, as well as an annual retainer fee paid quarterly. Meeting fees incorporate meeting preparation, research, and post-meeting follow-up (collectively "pre-meeting preparation"), as well as the length of the meeting itself, based on an estimate of the total time required. The meeting fees payable to Boards are as stated in the financial statements of the Company.
2. If a Board member is requested by the Board to form part of a task team or attend a strategic planning session of the Board, they will be remunerated at the rate of a Board meeting fee for each sitting of the committee, irrespective of the actual number of days of the session.
3. Board members who are not formal members of a specific committee shall be remunerated for attending such a committee meeting if the chairperson of that committee has formally invited the Board member to attend or if the chairperson of the committee on which the Board is serving formally requests the Board to represent the committee. The Board member's attendance is remunerated at an hourly rate in accordance with the relevant agenda item.
4. If a Board member who is not a committee member of a specific meeting attends a meeting, without a formal invitation, in that case, no remuneration or subsistence or travel claim will be processed in favour of that Board member.
5. A Board member is expected to attend at least three-quarters of a meeting; otherwise, the meeting fee for that meeting shall not be paid.

RETAINER FEE

Principles of the retainer fee

1. Retainer fees will be paid to Board members, chairpersons of Board committees and the chairperson of the Board.
2. The annual retainer fee will be paid quarterly to RHB Board members.
3. The fee was benchmarked and proposed changes are set out in the notice of annual general meeting

General provisions

1. The Board remuneration is benchmarked to the 2nd percentile.
2. The Chairperson of the Board shall not be a chairperson of any other committee of the Board.
3. No fees, remuneration or incentives shall be paid to executives who sit on the RH Bophelo committees in an ex-officio capacity.
4. To determine the remuneration benchmark for Board members, the following principles shall be applied:
   - RH Bophelo's remuneration is calculated according to the median fee of a non-executive of an equivalent group of a JSE small size listed company at a turnover and asset size comparable to that of RH Bophelo. The parameter of the comparator JSE company shall be R600 million to R1.2 billion asset value.
5. Board members will not be remunerated for non-attendance of meetings.
6. Where a Board member attends a meeting where there is no quorum, the attendees of the meeting will be remunerated as per the meeting fee applicable (i.e., as if there were a quorum).
7. If a Board member is appointed to sit on a Board or any other such structure on behalf of the Board and qualifies for remuneration in terms of that Board or structure's remuneration policy, then such a person may elect to be remunerated either in terms of RH Bophelo's Board's remuneration policy or in terms of the policy of that Board or structure. The election of preferred remuneration would be applicable for the entire term of the person's appointment to that Board or structure.
8. Board fees and retainers may not be escalated at an amount greater than an average increase offered to executives and employees.
9. The Board and remuneration and nominations committee shall recalibrate Board fees every second year to ensure relevance.
10. Board and committee assessments should be performed regularly to assess the individual Board member's contributions.
11. There should be control and regular review of the number of committees on which Board members serve to ensure that they have the ability and capacity to discharge their duties effectively.
12. The CEO will submit a written report regarding all payments made to all Board members to the Board on an annual basis.

Limitations and conditions

1. The Company's rules will take precedence in the event of any apparent conflict or dispute in respect of the interpretation of this policy.
2. The remuneration of Board members in terms of this policy specifically excludes travel, accommodation and other authorised reasonable expenses incurred by Board members as provided in the RH Bophelo travel policy.

The remuneration and nominations committee and Board approved the revised remuneration policy in September 2021.

REMUNERATION IMPLEMENTATION REPORT

Background

The management company employs RH Bophelo's executive committee. A management contract has been entered into between RH Bophelo and RH Bophelo Management Company (ManCo). RH Bophelo's remuneration policy guides the management company on best practice principles to be applied.

The management agreement discharges all staffing obligations from RH Bophelo to the ManCo. The ManCo has developed a remuneration policy for executive directors and staff and a performance scorecard matrix with key performance indicators (KPIs) to measure the performance of executives and staff.

Non-Executive Directors' remuneration

Non-Executive Directors' fees reflect the directors' role and membership on the Board and its Sub-Committees. The Non-Executive Directors do not have an employment contract with the Company.

The fees for Non-Executive Directors are based on proposals from the Board of Directors and the Remuneration and Nominations Committee, which are submitted to shareholders for approval in accordance with the Companies Act. The fees for Non-Executive Directors are annually reviewed by the Board and the Remuneration and Nominations Committee. Increases are based on inflation, and the committee utilises benchmark studies on similar-sized investment holding companies.

The fees paid to Non-Executive Directors comprises a monthly retainer fee and a per meeting attendance fee. The fees proposed for Non-Executive Directors are in line with similar sized companies listed on the JSE.

At the Company's AGM held on 02 August 2021, shareholders approved the following fees to be payable to Non-Executive Directors:

	Fee per meeting attendance (R)
Board meeting	10 000
Board Chairperson	20 000
Investment Committee meetings (including Chairperson)	10 000
Audit and Risk Committee meetings	10 000
Audit and Risk Committee Chairperson	15 000
Social and Ethics Committee meetings (including Chairperson)	10 000
Remuneration and Nominations Committee meetings (including Chairperson)	10 000
	Retainer (R)
Payable monthly to Board member	10 000

Non-Executive Director's fees for the current financial year have remained unchanged.

The Remuneration and Nominations Committee and Board proposed an amendment to the Non-Executive Director's Fees for the 2023 financial year subject to shareholder approval.

An increase of +/-43% for Non-Executive Director's fees was proposed for the current financial year:

	Fee per meeting attendance (R)
Board meetings	12 000
Board Chairperson	25 000
Investment Committee meetings (including Chairperson)	12 000
Audit and Risk Committee meetings	12 000
Audit and Risk Committee Chairperson	20 000
Social and Ethics Committee meetings	12 000
Social and Ethics Committee Chairperson	15 000
Remuneration and Nominations Committee meetings	12 000
Remuneration and Nominations Committee Chairperson	15 000
	Retainer (R)
Payable monthly to Board/Committee Member	12 000

Rationale for the increase

The Non-Executive Directors of RH Bophelo Limited have not received an increase in Board fees for two (2) years. This is despite a rapid growth in the assets of the Company and an ever-increasing sophistication of its operations.

It was common cause that the Non-Executive Director's (NED) fees at the Company were "off market" when compared to companies with similar market capitalisations.

On the 8th of February 2022, Executive Management submitted a comprehensive case study that relooked at the Non-Executive

Director's compensation based on market capitalisation, the number of board committees and the number of standing committees per annum.

ManCo recommended a +/-43% increase in Non-Executive Directors' fees, an increase in the NED budget to R2,5m from R1,8m.

Executive Directors' remuneration

Remuneration principles

1. Remuneration is aimed at being competitive in the appropriate market. It is standard practice to reward employees between the market 25th and 75th percentiles while aimingw to reward acceptable performers at the 50th percentile.
2. Rewarding management gives due consideration to internal equity and allows for a reasonable level of differentiation, i.e., rewarding high performers at the 75th percentile of the market and the developing of newly promoted employees at the market 25th percentile. Where employees are paid outside the salary range of the 25th and 75th percentile, future increments shall be treated as a cost-of-living allowance until the employee falls within the band.
3. The ManCo considers the individual employee's merit and performance in determining employee salary levels and salary increases.
4. Remuneration is reviewed and benchmarked regularly through independent external professional service providers to maintain external competitiveness of reward and address any possible pay anomalies.
5. In setting remuneration levels, consideration is given to the following:
   - The position, including job size and internal relativities (job grade);
   - The competencies that the person brings to the role;
   - The ManCo's capacity to pay; and
   - The relevant market comparisons.

Pay premiums

The ManCo will pay a premium where appropriate. A premium is not guaranteed, and its payment will take into consideration several factors, such as:

1. The market for the job (position/scarcity premium);
2. The skills and experience of the person (person-specific/skill/ competency premium); and
3. Role-specific premium in case of blended/dual responsibilities.

Market premium

A market premium may be applicable where:

Person specific (skills/competency) premium

A person specific premium may be applicable where:

1. The staff member's contribution is critically important to the achievement of the organisation's strategic objectives;
   - The staff member adds exceptional value to the organisation and, if lost, would have a detrimental impact on the organisation;
   - The staff member has a critical skill set that, if lost, would be detrimental to the organisation. Plans for the transfer of critical knowledge and skills will need to be put in place.

Role specific premium

A role-specific premium may be applicable where:
The position requires substantial additional duties above the current level of the individual's classification.

Remuneration components

The ManCo adopts a total cost-to-company package. Remuneration refers to all forms of financial returns and tangible services and benefits staff members receive as part of an employment relationship.

Total guaranteed package

The total guaranteed package comprises the basic salary of employees or executive management, including all benefits such as pension, medical aid, and insurance. The total guaranteed package is payable for fulfilling the expected day- to-day job requirements.

Annual short-term incentives (STI)

Employees are eligible for an annual STI calculated on total guaranteed remuneration paid at the end of the financial year. If the employee has less than one years' service but more than six months, the annual STI is paid on a pro-rata basis. The annual STI will only be paid to employees who are in the employ of the ManCo at the time the STI is paid.

A short-term incentive of 50% of annual guaranteed earnings for executive directors will be paid on the achievement of an on-target performance level. Short-term incentive payments will be capped at a maximum of 80% of guaranteed annual remuneration for the CEO and 60% for other executive directors, with a sliding scale between the threshold and the maximum.

KEY PERFORMANCE SCORECARD MATRIX

RH Bophelo executive directors' remuneration scorecard matrix summary-financial indicators February 2022

***Assigned by the CEO to members of the executive**

No.	Key Performance Indicator – Financial	Weighting %	Target	Responsible Executive	Quinton Zunga		Colin Clarke		Dion Mhlaba		Vuyokazi Nomvalo	
1	Net asset value (NAV) Increase	15%	CPI – YOY	Executive Team	100%	15%	80%	12%	90%	14%	60%	9%
2	Return on investment (ROI)	25%	CPI+5	CIO, CEO, ED	100%	25%	90%	23%	N/A	N/A	70%	18%
3	Governance	15%	Clean report	CEO, CFO, CIO, ED	100%	15%	80%	12%	80%	12%	80%	12%
4	Capital raise	3%	As and when required	Executive Team	100%	3%	60%	2%	80%	2%	60%	2%
5	Investor relations	4%	Satisfied Investors	Executive Team	100%	4%	60%	2%	70%	3%	50%	2%
6	Balance sheet management	13%	Constant	CFO, CIO, CEO	100%	13%	70%	9%	90%	12%	N/A	N/A
	TOTAL	**75%**										

RH Bophelo executive directors' remuneration scorecard matrix summary non-financial indicators 2022

***Assigned by the CEO to Members of the Executive**

No.	Key Performance Indicator – Financial	Weighting %	Responsible Executive	Target	Quinton Zunga		Colin Clarke		Dion Mhlaba		Vuyokazi Nomvalo	
7	Implementation of strategy	5%	CEO primary	Execute	100%	5%	N/A	N/A	N/A	N/A	N/A	N/A
8	Implementation of policies required in terms of the Companies Act; King IV and other legislation	5%	Executive Mgmt. team	Execute	100%	5%	90%	5%	50%	3%	70%	4%
9	Adherence to JSE Listings Requirements, Companies Act and King IV	5%	CIO	Execute	N/A	N/A	90%	5%	N/A	N/A	N/A	N/A
10	Compliance with the Income Tax Act	5%	Executive Mgmt. team	Execute	100%	5%	90%	5%	60%	3%	80%	4%
11	Adequately addressing audit findings and implementation of controls	5%	CFO	Execute	N/A	N/A	N/A	N/A	40%	2%	N/A	N/A
	TOTAL	**25%**										
				TOTALS	**100%**		**79%**		**70%**		**67%**	

No STI was paid to staff or executive directors during this financial year in review.

Management is committed to a long-term relationship with RH Bophelo. As such, the executives have decided to delay their incentives for one year to demonstrate their commitment to RHB and, in return reflecting their faith in the strategy that they have developed and are in the process of initiating.

LONG-TERM INCENTIVES (LTI)

LTI for executive management will have two mechanisms to affect their long-term interest in the ManCo. These mechanisms are structured considering the low management fees and ability of the Company to compensate management at market rates and keep the executive management's interest tied to the Company. The two types of incentives are as follows:

Shareholding

Executives shall have a shareholding in the ManCo. The percentage shareholding shall be determined by the ManCo Board in consultation with the executives. It shall be set no later than five years after the anniversary date of RHB's listing on the JSE. The shares shall vest with the executive director after the fourth anniversary date of the listing.

Profit share

A yearly profit share of 20% of the net distributable earnings (NDE) of the ManCo shall be paid to the executive directors of RHB. The distribution of the profits to executive management shall be in accordance with the KPIs assigned to the executive management.

No LTI payments were made during this financial year in review.

Remuneration implementation February 2022

Name	Salary	Bonus	Other	Profit share	Total guaranteed package
Quinton Zunga	R2 000 000	0	0	0	R2 000 000
Dion Mhlaba	R1 800 000	0	0	0	R1 800 000
Colin Clarke	R1 620 000	0	0	0	R1 620 000
Vuyokazi Nomvalo	R1 440 255	0	0	0	R1 440 255

DISCLOSURE OF REMUNERATION

Refer to note XX in the annual financial statements for the remuneration paid to directors for the year ended 28 February 2022. No deviations from the remuneration policy were authorised or paid during the year.

FOCUS FOR THE YEAR AHEAD

The committee will focus on deepening and strengthening governance and growing the skills and experience during the coming year.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

DR Kgaogelo Ntshwana
Chairperson of the remuneration and nominations committee

Profit share

A yearly profit share of 20% of the net distributable earnings (NDE) of the ManCo shall be paid to the executive directors of RHB. The distribution of the profits to executive management shall be in accordance with the KPIs assigned to the executive management.

The ManCo Agreement provides for a payment of a dividend on the B Class Shares. The Board passed a resolution on the 24th of November 2021 declaring the B Class Share Dividend of R3.9 million, payable to the ManCo, in line with section 46 of the Companies Act.

The trigger methodology for the payment of the B-share are to be found in the MOI, to which the ManCo has proposed changes, as it is managements contention that the way the B-share is currently constructed is unfair and does not capture the effort or value that management has and continues to bring to RH Bophelo.

Remuneration implementation February 2022

Name	Salary	Bonus	Other	Profit share	Total guaranteed package
Quinton Zunga	R2 000 000	0	0	0	R2 000 000
Dion Mhlaba	R1 800 000	0	0	0	R1 800 000
Colin Clarke	R1 620 000	0	0	0	R1 620 000
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DISCLOSURE OF REMUNERATION

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The committee will focus on deepening and strengthening governance and growing the skills and experience during the coming year.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

DR Kgaogelo Ntshwana
Chairperson of the remuneration and nominations committee

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee is constituted as a statutory committee of the Company for those duties assigned to it in terms of section 72(4) of the Companies Act 71 of 2008 (read in conjunction with regulation 43 of the Companies Regulations, 2011) (the Act), and as a committee of the Board for all other duties assigned by the Board.

In addition, as required in line with the King IV report on Corporate Governance for South Africa, 2016, the committee is to have oversight of and report on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships. This is to ensure sustainability while serving the interests of stakeholders on whom the business depends.

The committee comprises three non-executive directors and one executive director. The social and ethics committee's responsibilities and duties have been codified in the committee's Charter that has been approved by the Board. The charter was reviewed in the 2022 financial year.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

During the past year, the committee focused on the group's B-BBEE compliance, gender and race diversity, stakeholder engagement and CSI projects. Refer to page 32 for details on the Company's CSI projects undertaken during the year.

ETHICS AWARENESS

As the responsibility for the governance of ethics is one of the principles of King IV, the committee plays a key role in setting the direction for how ethics should be approached and addressed by the Company. In giving direction, the committee considered and approved, for adoption by the Board, a revision of the following policies during the current financial year:

- Code of conduct and ethics policy
- Anti-corruption and bribery policy
- Whistle-blower policy
- Non-discrimination policy
- Politically exposed persons policy
- Environmental sustainability policy
- Stakeholder relations policy
- Gifts and other courtesies policy
- Procurement policy
- Gender and race diversity policy
- B-BBEE policy

B-BBEE

The Company achieved a level one BEE status in 2021. The BEE scorecard results are available on the Company's website https://www.rhbophelo.co.za/investment/for-our-investors/

FOCUS FOR THE YEAR AHEAD

In the coming year, the committee will focus on ensuring that our investments are undertaken in an ethical manner cognisant of BEE in all its forms and work towards spreading the healthcare dividend.

PD Sekete

Dr David Sekete
Chairperson of the Social and Ethics Committee

RISK MANAGEMENT

RISK FRAMEWORK

The Board remains ultimately responsible for the management of risk, which is integrated into the Company's strategy. The risk management framework is embedded in the business activities and decision-making processes at all levels of the group. The Board has mandated the audit and risk committee to monitor the Company's risks.

Risk management is an ongoing process in every organisation. Its primary purpose is to adequately position the Company to understand and respond to the potential risks that could impact brand reputation, strategy, and value creation.

RISK MANAGEMENT PROCESS

The risk matrix is part of the risk management process that involves:

- identifying risks;
- gathering background data;
- calculating the likelihood and severity of risks; and
- outlining risk prevention and management strategies.

The risk assessment matrix details the probability of an event occurring and its potential severity. By visualising existing and potential risks, the Company can assess their impact and identify which ones are of the highest priority. The Company then creates a plan for responding to the risks that need the most attention.

The Audit and Risk Committee is responsible for assessing and updating the Company's risk register and has mandated management to perform a risk rating on each risk identified and monitors the related mitigating risks. The Committee reviews the risk framework annually and identifies areas requiring improvements. During the year the Committee recommended the implementation of an internal audit function and has tasked management to implement. Refer to the Audit and Risk Committee report on page 90 for further detail.

RISK REGISTER DOCUMENT COMPILATION

Each division identifies and defines the main hazards and then rate the risk's likelihood or frequency on a scale of one to five, with one being the lowest and five being the most. The risk's influence on the Company is also rated from one to five on a scale of normal to severe. The inherent risk is calculated based on this.

There was also an assessment of whether there was a compensating control for the risk identified, as this would then determine the level of residual risk, if any.

The risk register is in place and is constantly monitored.

INTERNAL CONTROLS

RH Bophelo has a strict internal control environment. All governance structures within the Company, including the audit and risk committee (ARC), investment committee (IC) and the finance committee (FC) monitor the internal control environment including any risks identified and responses to those risks.

The ARC has identified the risk of material misstatement in the financial statements, assessed it and concluded that it is low due to the internal controls surrounding financial reporting within the Company. The preparation of financial statements is in line with all the applicable reporting frameworks including International Financial Reporting Standards (IFRS).

The non-statutory finance committee is responsible for:

- identifying and resolving deficiencies that exist in the group's finance value chain;
- improving the asset level and reporting standards and internal controls;
- ensuring seamless flow of systems from an investee company level to group level; and
- consolidating working systems currently in place.

An internal audit exercise was undertaken at investee company level, this process identified shortfalls in the internal control environment and counterbalanced the internal control deficiencies. Standardised finance and internal control policies have been rolled out at investee company level to further strengthen the internal control environment. The finance managers of the Company that manages the operations of all investee companies were tasked to ensure that adequate training is provided to all finance teams and managers at investee company level to upskill the individuals to a level required to perform their duties with efficiency and have them contribute towards an efficient control environment.

Internal control process

The control environment

- Standards, processes and structures
- Board, audit and risk committee, investment committee, executive committee and the finance committee set the tone for internal controls, as well as the integrity and ethical values of the Company

Risk assessment

- Dynamic and interactive
- Risks managed by employees together with the finance committee
- Continuous monitoring and updating of risk register

Control activities

- Policies and procedures ensure risk mitigation procedures are carried out

Information and communication

- Ongoing, interactive process of sharing and obtaining necessary information with all stakeholders
- Relevant IT processes in place to safeguard information

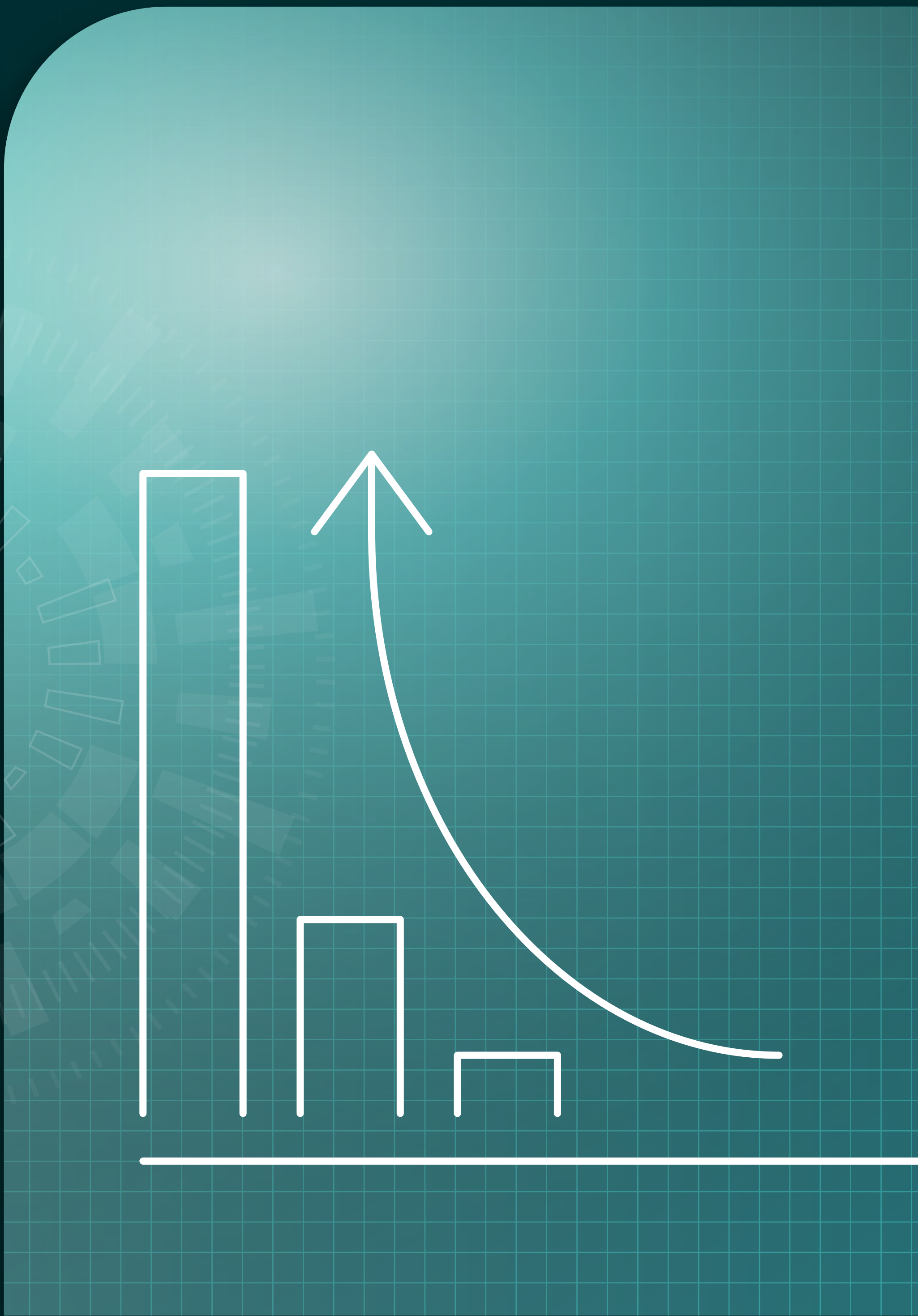
Monitoring activities

- Ongoing evaluations that components of internal controls are present and functioning
- Business processes at various levels of the organisation
- Findings evaluated against the criteria established by the regulators and other statutory bodies
- Deficiencies communicated to the ARC and Board

RISK REGISTER

	Principal risk	Context	Mitigations
1	**Ability to remain sustainable as a result of COVID-19 and other extraordinary events**	Ability to remain sustainable as a result of COVID-19 and other extraordinary events	• Review of key ratios used in the assessment, solvency, profitability, and liquidity indicators and found to be within the range that the Board deems appropriate to support • The going concern assumption. A key factor in this assessment was the fact that the Company's operating units are in the healthcare sector and were classified as essential services, while the financial services sector continued to operate. The impact of this classification is that the decline in occupancy rates and capacity utilisation was marginal, and a majority of our investee companies continued to operate within the normal range. To this end, the going concern assumption has been determined to be the appropriate basis for financial reporting as at 28 February 2022
2	**Governance breaches**	Non-compliance with best practice corporate governance framework both at Board and Exco levels	• Best practice corporate governance structures in place
3	**Non-compliance with regulations or legislation**	Non-compliance with JSE Listings Requirements, the Companies Act, and new laws and regulations	• In-house and external legal advisors engaged • Relevant training provided for new legislation • Management and the auditors monitor compliance with the legal requirements • The group's employees regularly attend conferences and training specific to their area of responsibility that would assist in their identification of the new and relevant legislation
4	**Inability to raise capital – lack of capital growth**	Inability to raise additional capital	• The Board through the investment committee engages with management to ensure adequate funding is available for capital measures • Successful capital raising
5	**Investments not meeting investment targets**	Investments not meeting targeted rate of returns	• Detailed project due diligence investment committee approvals are obtained • Close monitoring on the performance of assets. Monthly calls/meetings with underlying business CEOs and CFOs • The speed of onboarding of investments is quicker and aligned with achieving budgeted targets
6	**Asset liquidity**	• Inability to enforce dividend policy distribution to investors • Inability to service financial obligations as they fall due	• Management is well represented on the governance structures of the assets as well as maintaining daily asset and portfolio monitoring to manage cashflows amongst other key strategic initiatives
7	**Dividend distribution**	Inability to meet shareholder expectation for a dividend distribution in the subsequent financial periods	• The dividend declaration is considered annually by the Board and the decision is made in accordance with the requirements of the Companies Act and the Dividend Policy of the Company

	Principal risk	Context	Mitigations
8	**Measurement of investments**	Risk of fair value estimation resulting in either an under and/or over valuation of investments	• The judgements and assumptions used in the process of valuation for the investments in unlisted equities were consistent to those applied in the prior years • The audit and risk committee and investment committee, challenge and debate the significant subjective inputs and assumptions and the valuation principles applied in the valuation of unlisted investments and properties • The audit and risk committee is satisfied that the process applied in the valuation process is sufficiently robust to give a fair indication of the fair value of all investments
9	**Investments**	Investments that do not align with strategic initiatives	• Policy oversight by the Board • Oversight by the ExCo on all deals including reading and signing all agreements based on procedures performed • Investment Committee interrogates all new investments and ensures that they align with the overall strategic initiatives of the Company
10	**Inadequate Information Technology**	• Unauthorised access to Information Technology infrastructure especially virtual attacks • Inadequate disaster recovery plans • Unauthorised access to data as protected by POPIA	• Information Technology systems and processes regularly evaluated and management ensures that they are adequate for a growing investment company



06

ANNUAL FINANCIAL STATEMENTS

DEFINING INVESTMENT **EXCELLENCE**

ANNUAL
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

RH BOPHELO LIMITED
Incorporated in the Republic of South Africa
(Registration number 2016/533398/06)
(JSE and RSE Share Code: RHB, ISIN: ZAE000244737)

Preparation of annual financial statements
The audited annual financial statements for the year ended 28 February 2022, as set out on pages 98–137 were prepared under the supervision of Mr Dion Mhlaba CA(SA). The financial statements have been audited in compliance with the applicable requirements of the Companies Act.

GENERAL INFORMATION

Company name	RH Bophelo Limited
Registration number	2016/533398/06
Registered business address	Unit 12 1 Melrose Boulevard Melrose Arch Johannesburg 2076
Investment manager	RH Bophelo Management Company Proprietary Limited Unit 12 1 Melrose Boulevard Melrose Arch 2076
Auditors	Mazars South Africa 54 Glenhove Road Melrose Estate Johannesburg Gauteng 2196
Sponsor (South Africa)	Deloitte & Touche Sponsor Services Proprietary Ltd 5 Magwa Crescent Waterfall City Johannesburg Gauteng 2090
Sponsor (Rwanda)	Faida Securities Rwanda Centenary House 4th Floor 124 Kigali Rwanda

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of RH Bophelo Limited ("the Company"). The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including interpretations of such standards as issued by the Interpretations Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, the King Code on Corporate Governance IV (King IV)™, Johannesburg Stock Exchange (JSE) Listings Requirements, the Rwanda Stock Exchange (RSE) Listings Requirements and compliance with applicable laws.

The Directors confirm that in preparing the annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards that they consider to be applicable have been followed. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at the end of the financial year.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company, and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, an endeavour is made to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The annual financial statements were prepared on the going concern basis. The assets of the Company, fairly valued, exceed its liabilities, fairly valued. The valuation of assets and liabilities includes the current and projected impacts of COVID-19. Having considered the collective effects of the operating environment, the projected cash flows and all COVID-19-related matters, the Directors are of the opinion that the Company will continue as a going concern in the foreseeable future.

The Annual Financial Statements have been audited by our auditors. An unqualified audit report was issued by our external auditor, Mazars on the Annual Financial Statements from which this report is extracted. The directors take full responsibility for the preparation of the report and that the financial information has been correctly copied from the underlying Annual Financial Statements. Any reference to future financial performance included in this announcement has not been audited or reported on by the external auditor. Shareholders are therefore advised that in order to get a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's independent audit report together with the accompanying Annual Financial Statements from the Company's website: https://www.rhbophelo.co.za/investment/for-our-investors/

Chairman
John Oliphant
10 June 2022

CEO
Quinton Zunga
10 June 2022

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

The Directors, whose names are stated below, hereby confirm that:

In terms of JSE Listings Requirements 3.84(k), the Directors, whose names are stated below, hereby confirm that:

a. The annual financial statements set out on pages 98 to 137, fairly present in all material respects the financial position, financial performance, and cash flows of RH Bophelo Limited in terms of IFRS;
b. No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c. Internal financial controls have been put in place to ensure that material information relating to RH Bophelo Limited has been provided to effectively prepare the financial statements; and
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 within the combined assurance model pursuant to principle 15 of the King Report on Corporate Governance for South Africa, 2016 (King IV). Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors have taken the necessary remedial action.

CEO
Quinton Zunga
10 June 2022

CFO
Dion Mhlaba
10 June 2022

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In my capacity as the Company Secretary, I hereby confirm, in terms of the South African Companies Act, No. 71 of 2008, as amended, that for the year ended 28 February 2022, RH Bophelo Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Corporate Services Company Secretary
Ragni Naicker
10 June 2022

AUDIT AND RISK COMMITTEE REPORT

INTRODUCTION

The Audit and Risk Committee ("ARC") presents its report for the financial year ended 28 February 2022. The Committee reports that it has adopted formal terms of reference as its Audit and Risk Committee Charter ("the Charter"), and that it has discharged all of its responsibilities for the current financial year, in compliance with the Charter.

RESPONSIBILITIES OF THE ARC

In discharging its responsibilities, the ARC, among other functions:

- Examined and reviewed the annual financial statements and other financial announcements to ensure balanced and faithful presentation consistent with the application of appropriate accounting policies and standards;
- Reviewed and considered the appropriateness of the going concern basis in preparing the annual financial statements;
- Considered material risks and internal controls in relation to financial reporting and fraud;
- The ARC has assessed the independence of Mazars South Africa as the external auditors and remains satisfied that the firm and its designated audit parter Rochelle Murugan, remain independent of the Company. Consequently, the Committee has resolved to recommend the continued engagement of Mazars as external auditors. The resolution will form part of the suite of resolutions to be presented at the Company's forthcoming AGM;
- Determined the audit fee and the auditor's terms of engagement ensuring that the appointment of the auditor complies with the Companies Act and other relevant legislation;
- Made submissions to the Board regarding the Company's accounting policies, financial controls, records and reporting;
- The Committee conducted its ongoing assessment of the effectiveness of the Company's finance function and remains satisfied that the expertise, resources and experience of the finance function are sufficient to perform the assigned duties;
- The Committee has confirmed through its company secretarial function that the designated external auditor Rochelle Murugan, does not appear on the list of disqualified individual auditors as published by the JSE. Such an assessment was conducted ahead of the resolution to recommend the continued appointment of Rochelle Murugan as the engagement partner for the audit of the Company; and
- Reviewed the 2022 JSE proactive monitoring reports and assessed the Company's compliance with the recommendations and commitments made in response to the JSE proactive monitoring reports.

COMPOSITION OF THE COMMITTEE

The Committee consisted of five independent non-executive directors, who are appropriately qualified and experienced to execute their responsibilities. A quorum of the ARC is met when a majority of the members are present in person or by telephonic or electronic means.

During the year under review, the members of the Committee were as follows, including changes:

- Dr Solomon Motuba
- Ms Refiloe Nkadimeng (Resigned 8 March 2021)*
- Ms Dinao Lerutla (Chairperson)
- Dr Kgaogelo Ntshwana
- Ms Bojane Segooa (Appointed 26 May 2021)
- Mr Lyndsay Maseko (Appointed 17 November 2021)

In addition, Mr Quinton Zunga (Chief Executive Officer), Mr Dion Mhlaba (Chief Financial Officer), Ms Vuyokazi Nomvalo (Investment Executive), Colin Clarke (Chief Investment Officer) and Mazars South Africa (the external auditors) are also permanent invitees to the meetings of the Committee.

**Ms. Nkadimeng's resignation was as a result of her current position as the chief financial officer of African Rainbow Capital, precluding her from sitting on other companies' boards.*

MEETINGS

The Committee held eight scheduled meetings during the year and the quorum was met at all the meetings.

2022 OVERVIEW

Save for the potential areas of risk discussed and highlighted with management, the Committee is satisfied that an adequate system of internal controls is in place to reduce significant risks faced by the Company to an acceptable level, and that these controls have been effective throughout the period under review. The system is designed to manage, rather than eliminate, the risk of failure and to maximise opportunities to achieve business objectives. This can provide only reasonable, but not absolute assurance that the financial records may be relied on for the preparation of the annual financial statements. The Committee continously assessed the effectiveness of the Company's accounting and financial control systems.

As required by the JSE Limited Listings Requirements 3.84(f), the Audit and Risk Committee has satisfied itself that Mr Dion Mhlaba, who served as the Chief Financial Officer ("CFO") throughout the period under review, has the appropriate experience and expertise to fulfil the responsibilities of the finance function.

The Committee has considered the key audit matters set out in the independent auditor's report and is satisfied that the key audit matters have been appropriately presented.

Key audit matter	How the matter was addressed
Valuation of financial assets held at fair value through profit or loss	The Audit and Risk Committee (ARC) received presentations on valuation of the material investments across the Company including an analysis of the key judgements and assumptions applied and approved the valuation adjustments proposed by management for the year ended 28 February 2022 and the appropriateness of the IFRS 13 and IFRS 7 disclosures on fair value. The properties included in the valuation of different investee companies have been independently valued. The judgements and assumptions used in the process of valuation for the investments in unlisted equities were consistent to those applied in the prior years. The ARC, alongside the Investment Committee, challenged and debated the significant subjective inputs and assumptions, and the valuation principles applied in the valuation of unlisted investments and properties. The ARC was satisfied that the process applied in the valuation process was sufficiently robust to give a fair indication of the fair value of all investments.
Going concern assessment – the impact of COVID-19	COVID-19 remains a persistent factor that is considered in the preparation of the annual financial statements. Whilst the Company's classification as an 'essential service' enabled services to continue uninterrupted throughout lockdown periods, it is also notable that the wider impact of COVID-19 on the country and the economy at large; will have an impact on the utilisation of healthcare services in the medium term. Due to this consideration, the Company and its auditors regard the continuing impact of COVID-19 forward-looking information like cash flow forecasts as an important audit matter. Stress tests of assumptions used on the valuations of the Company's investments was performed at a granular level for all significant investments in order to ensure that the Company's valuations appropriately incorporated the impact of COVID-19.

The review of the Integrated Report together with the annual financial statements are also the responsibility of the Audit and Risk Committee. The committee has evaluated the integrated report and annual financial statements of RH Bophelo Limited for the year ended 28 February 2022 and based on the information provided to the Audit and Risk Committee, considers that it complies, in all material respects, with the requirements of the various acts and regulations governing disclosure and reporting.

INTERNAL AUDIT

As part of its Charter, the Committee has adopted the following approach in relation to internal audit:

- By practice, the ARC assesses and updates the Company's risk register and has mandated management to perform a risk rating on each risk identified and monitors the related mitigating risks.
- In the current year, the ARC has reviewed the risk framework, identified areas requiring improvements within the Company and refined some of the financial policies and standard operating procedures.
- In the previous financial year, ARC recommended that management implement an internal audit function to strengthen execution, oversight and independence on the internal controls. Management had commenced with the implementation of this function, which was aimed to be completed in the current financial year. The delays in finalising this plan have been raised with management, and highlighted as urgent by ARC for the Company to improve on the robustness of its risk management and financial reporting.
- As a result of the resolution to implement an internal audit function, the Company has initiated an implementation plan towards the adoption of an internal audit function.

EXTERNAL AUDIT

Non-audit services

During the current period, Mazars were commissioned to conduct ad-hoc non-audit services. The services rendered related to the assessment of the Company's treatment of its B-share dividends. The services were approved by the ARC prior to implementation and the value of the services was R69 000. The Committee is satisfied that the provision of these ad-hoc services did not impair the independence of Mazars.

Other matters

The Committee applied its judgement to the treatment of the various post-reporting period events, including the classification of the events and the additional disclosures provided in note 23. The Committee is satisfied that the post-reporting period events have been adequately assessed and where applicable are disclosed appropriately.

Recommendation for approval

The Committee has highlighted potential gaps in the finance function, including the need for an internal audit function, for management to attend to. From submissions by management throughout the financial year, the Committee is not informed of any material breakdown in the design and operational effectiveness of the internal financial controls during the year. The Committee has also relied on the external audit process to reach their recommendation that the financial records may be relied upon as the basis for the preparation of the annual financial statements.

In discharging its responsibilities, the Committee evaluated significant judgements and reporting decisions; determined that the going concern basis of reporting is appropriate; evaluated the material factors and risks that impact the annual financial statements and associated reports and evaluated the completeness of the annual financial statements and the disclosures included therein.

The Committee is of the opinion that the annual financial statements comply in all material respects with the statutory requirements of the various regulations governing their disclosure and reporting. These include IFRS and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the Companies Act, the JSE Listings Requirements and the RSE Listings Requirements for Investment Entities.

The Committee accordingly recommended the annual financial statements to the Board for its approval.

Ms Dinao Lerutla
Audit and Risk Committee Chairperson
10 June 2022

DIRECTORS' REPORT

1. THE COMPANY

RH Bophelo Limited ("the Company") is an investment entity listed on the Johannesburg Stock Exchange ("JSE") and the Rwanda Stock Exchange ("RSE").

The Company's annual financial statements have been prepared for the year ended 28 February 2022.

2. PRINCIPAL ACTIVITIES

The Company seeks to generate returns for its shareholders through various investments in the healthcare sector and financial services. The Company is involved in making equity, quasi-equity, and equity-related investments in healthcare and financial services, specifically in operational infrastructure, health insurance, private hospital infrastructure, pharmaceuticals, retail and distribution, and healthcare technology. The Company executes on its investment mandate primarily through two wholly-owned subsidiaries, RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS"). These subsidiaries are utilised to acquire various investments on behalf of the Company.

3. FINANCIAL RESULTS

The Directors are responsible for ensuring that the Company produces a set of annual financial statements which fairly present the state of affairs of the Company at the end of each financial year and the profit or loss for the year, in accordance with IFRS, the Companies Act, and the interpretations adopted by the International Accounting Standards Board, the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), the RSE Listings Requirements and the JSE Listings Requirements.

For the financial period ending 28 February 2022, the Company recorded total comprehensive income of R53 484 180 (2021: R131 217 215). Full details of the financial position and financial performance of the Company are contained in the detailed annual financial statements as set out on pages 98–137.

4. DIVIDENDS

The Company declared a gross maiden dividend on "A" ordinary shares of ZAR 15 cents per "A" share during the 2022 financial period, record date 23 July 2021 and paid on 26 July 2021. The total dividend declared was R9 703 695 (2021: Nil). Another maiden dividend of R3 900 000 was declared and paid on 25 February 2022 on the "B" class share relating to a management incentive scheme.

5. DIRECTORS' FEES AND REMUNERATION

The Directors' emoluments and earnings have been disclosed under note 20.

6. DIRECTORATE

During the period covered by this report, the Directors of the Company were:

Solomon Motuba	Independent, Non-executive	
Kgaogelo Ntshwana	Independent, Non-executive	
Lyndsay Maseko	Independent, Non-executive	Appointed 17 November 2021
Refiloe Nkadimeng	Independent, Non-executive	Resigned 8 March 2021
Dinao Lerutla	Independent, Non-executive	
Bojane Segooa	Independent, Non-executive	
John Oliphant	Non-executive Chairman	
David Sekete	Non-executive	
Quinton Zunga	Executive	
Dion Mhlaba	Executive	
Vuyokazi Nomvalo	Executive	
Colin Clarke	Executive	

7. GOING CONCERN

Ongoing impact of COVID-19 pandemic

As part of its responsibilities, the Board is required to undertake an ongoing assessment of the Company's status as a going concern. Over the past couple of years since the outbreak of the Coronavirus pandemic; the Board has paid particular attention to the management of the pandemic and the resultant impact on the healthcare sector.

In conducting its assessment, the Board has monitored the key ratios used in the going concern assessment – including solvency, profitability and liquidity indicators – and concluded that they remain within the range that the Board deems appropriate to support the going concern assumption. A key factor in this assessment was the fact that the Company's operating units are in the healthcare sector and were classified as essential services throughout the period of the pandemic as regulated by the National State of Disaster Management Act. In addition, the Company has conducted various stress test scenarios based on the key aspects relating to the pandemic including vaccination rates and the likelihood of the emergence of new variants of the Coronavirus. On the basis of this assessment, the Board has concluded that the going concern assumption remains the appropriate basis for financial reporting as at 28 February 2022.

Effects on valuations

As the Company and its subsidiaries in healthcare operate in a sector classified under essential services, the impact of the pandemic on operations remains moderate. Facilities remained open through all levels of lockdowns and utilisation rates remained steady. The increased rates of vaccinations and reduced severity and frequency of lockdowns in the past 12 months has assisted the business return to activity levels similar to pre-pandemic levels. Under these conditions, the Directors are comfortable that the Company will be able to continue as a going concern for the foreseeable future. The Company expects that its underlying businesses will remain classified as essential services and hence the impact on operations will be muted as seen during the hard lockdowns of last year. Beyond the 12-month horizon, the Company regards the low and muted economic growth, together with the possibility of new variants, as the key risk factors that might impact on the business. Such risk factors are continuously monitored by the Board and the Investment Committee and are factored into the long-term forecast and the Company's scenario planning.

Effects on funding and deal pipeline

The Coronavirus impact has had a minimal impact on the Company's deal and funding pipeline. The Investment Committee is continuously exploring investment opportunities in the healthcare and related sectors and believes that it has sufficient access to capital to participate in any transactions that may materialise and meet the stringent criteria set by the Investment Committee and the Board of Directors. In order to support its deal pipeline, the Company has initiated a financing programme with Norsad Limited for the provision of loan financing in line with the Company's target capital structure.

Effects on operations

During the hard lockdowns, the Company had to adapt its operations in order to minimise the disruption on operations. A 'work-from-home' policy was activated that enabled business continuity through all the various lockdown levels. This required the Company to accelerate its investment in technological resources that enabled employees to optimally function from the safety of their homes or shared spaces that were regarded as compliant with healthcare protocols. It is expected that such practices will become more embedded in the Company's way of doing things until the pandemic and its effects taper off which we expect to see in the latter parts of the 2023 calendar year.

Based on the factors mentioned above and the Company's current solvency and liquidity positions, which are reflected by the strong net asset value position of R903 956 544 (2021: R864 076 059) and the net current asset position of R12 141 042 (2021: R39 668 701), together with cash flow forecasts for the forthcoming year, the Directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future, and accordingly the annual financial statements have been prepared on a going concern basis.

8. STATED CAPITAL

The Company's authorised stated capital is 10 000 000 000 "A" no par value ordinary shares with voting rights. (2021: 10 000 000 000 "A" no par value ordinary shares with voting rights).

The Company also has 1 "B" restrictive no par value class of shares. (2021: 1 "B" restrictive no par value class of shares). The Class B shares dividends are calculated based on 15% of more than 10% growth in accumulated net asset value less any accumulative equity raises. In the current year, the net asset value increased by 4.6% (prior year: 34%) and dividend declared of R nil (Prior year: R3.9 million). Dividends accrued and declared are payable within 30 days, if such dividends are not paid within 30 days, they will accrue interest at a prime plus 2% and class B shares will receive one voting right per B share, until fully settled. B shares only receive voting rights when payment of the B shares dividend is outstanding for longer than 30 days.

The total number of ordinary shares in issue as at 28 February 2022 is 64 691 298 (2021: 64 691 298).

9. MATERIAL EVENTS

Investments

During the year, the Company increased its investments in unlisted equity investments. The amount allocated to increase investments for the current year was R20.7 million (2021: R161.4 million).

The amounts were allocated as follows:

- Investment in RH Bophelo Financial Services Proprietary Limited (RHFS) – R15.9 million;
- Investment in RH Bophelo Operating Company Proprietary Limited (RHBO) – R6.9 million; and
- Disposal of RH 12J Company Proprietary Limited (RH 12J) – (R2.1 million).

Additional, new and disposal of investments made by RHFS:

- Acquisition of an additional 5% in Genric Insurance for R9 million. Increasing the shareholding from 25% to 30%.
- RSOV Invest Proprietary Limited ("RSOV"), an investment through RHFS was disposed of in the current year for R6,9 million, after it was incorporated and capitalised for R6.45 million. RSOV was incorporated to invest in publicly traded stock, and to house the shares repurchased by the Company in the open market pursuant to the General Repurchase of shares authority in terms of the JSE Listings Requirements, classified as treasury shares. RSOV was disposed with an equivalent of 1 193 800, about 1.84% of listed RH Bophelo shares repurchased in terms of the aforesaid General Authority. The Company was sold to an unrelated party on 07 January 2022 and was settled in cash. The shares were repurchased at an average trading price of R5.40 per share in the open market.

New acquisition made by RHBO:

- The Company acquired a 10% equity interest in a healthcare technology company, LocumBase Proprietary Limited ("Locumbase"), for a purchase consideration of R4 million in cash on the 01 October 2021. Locumbase is a platform that hospitals and retail pharmacies can use to contract locums or temporary staff.

Further details regarding the investments made in the current year are contained in note 6.

10. EVENTS AFTER THE REPORTING PERIOD

In line with the Company's commitment towards a capital structure that includes equity and debt financing, the Company has secured long-term debt financing to the value of R100 million from Norsad Finance Limited. The funds will be deployed to facilitate further investments in investee companies in line with the Company's investment strategy.

11. COMPANY SECRETARY

The Company hereby confirms that the relationship with the Company Secretary is at arms length and satisfies itself of the competence, qualifications and experience of the Company.

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

	Note(s)	2022 R	2021 R
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	6	921 999 472	842 778 946
Loans to group companies	7	37 723 921	38 453 570
Property, plant and equipment	8	3 159 617	4 041 260
		962 883 010	**885 273 776**
Current assets			
Loans to group companies	7	5 256 398	5 365 502
Other receivables	10	444 890	322 507
Current tax receivable	11	19 562	19 562
Cash and cash equivalents	12	7 763 716	34 699 084
		13 484 566	**40 406 655**
Total assets		**976 367 576**	**925 680 431**
Equity and liabilities			
Equity			
Share capital	13	633 589 672	633 589 672
Retained income		270 366 872	230 486 387
		903 956 544	**864 076 059**
Liabilities			
Non-current liabilities			
Lease liabilities	9	2 270 653	3 017 866
Deferred tax	14	68 796 855	57 848 552
		71 067 508	**60 866 418**
Current liabilities			
Trade and other payables	15	629 990	116 062
Lease liabilities	9	713 534	621 892
		1 343 524	**737 954**
Total liabilities		**72 411 032**	**61 604 372**
Total equity and liabilities		**976 367 576**	**925 680 431**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2022 R	2021 R
Investment income			
Interest income	16	5 826 678	7 020 714
Dividend income	16	24 071 536	7 336 107
Gains from financial assets at fair value through profit or loss	17	58 464 695	174 477 925
Total investment income		**88 362 909**	**188 834 746**
Other income	18	**1 872 316**	**430 411**
Professional services fees	19	(3 578 103)	(9 207 269)
Management fees	19	(4 520 532)	(6 904 402)
Other operating expenses	19	(17 704 107)	(6 635 685)
		(25 802 742)	(22 747 356)
Total income before tax		**64 432 483**	**166 517 801**
Income tax	11	(10 948 303)	(35 300 586)
Total income after tax		**53 484 180**	**131 217 215**
Other comprehensive income		-	-
Total comprehensive income		**53 484 180**	**131 217 215**
Basic and diluted earnings per share (cents)		82,7	217,5

STATEMENT OF CHANGES IN EQUITY

	Total share capital R	Retained income R	Total equity R
Balance at 01 March 2020	**547 339 672**	**99 269 172**	**646 608 844**
Total comprehensive income for the year	-	131 217 215	131 217 215
Shares issued	86 250 000	-	86 250 000
Balance at 01 March 2021	**633 589 672**	**230 486 387**	**864 076 059**
Total comprehensive income for the year	-	53 484 180	53 484 180
"A" Class ordinary dividend	-	(9 703 695)	(9 703 695)
"B" Class ordinary dividends	-	(3 900 000)	(3 900 000)
Balance at 28 February 2022	**633 589 672**	**270 366 872**	**903 956 544**
Note(s)	13		

STATEMENT OF CASH FLOWS

	Note(s)	2022 R	2021 R
Cash flows from operating activities			
Cash generated from/(used in) operations	29	3 761 752	(10 929 279)
Taxes paid		-	(807 122)
Net cash from/(used in) operating activities		**3 761 752**	**(11 736 401)**
Cash flows from investing activities			
Increase of financial assets at fair value through profit and loss	6	22 858 882	(75 214 343)
Loans to group companies repaid	7	4 527 992	1 866 862
Disposal of financial assets at fair value through profit and loss	6	2 130 183	-
Net cash used in investing activities		**(16 200 707)**	**(73 347 481)**
Cash flows from financing activities			
Payment on lease liabilities	9	(892 718)	(286 174)
“A” Class Shares – Dividends paid		(9 703 695)	-
“B” Class Shares – Dividends paid		(3 900 000)	-
Net cash used in financing activities		**(14 496 413)**	**(286 174)**
Total cash movement for the year		**(26 935 370)**	**(85 370 056)**
Cash and cash equivalents at the beginning of the year		34 699 084	120 069 140
Total cash and cash equivalents at end of the year	12	**7 763 716**	**34 699 084**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

RH Bophelo Limited ("the Company") is a legal entity registered in the Republic of South Africa. The Company engages in making equity, quasi-equity and equity-related investments in healthcare and financial services, specifically in operational infrastructure, including health insurance, private hospital-related infrastructure, pharmaceuticals, retails and distributions and healthcare technology. The Company was incorporated on 13 December 2016.

RH Bophelo Operating Proprietary Limited Company ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are wholly-owned subsidiaries of the Company, which are utilised to acquire investments on behalf of the Company.

The Company has appointed RH Bophelo Management Company Proprietary Limited ("RHBM") as its investment manager, to manage its investment portfolio which includes advice on the Company's investment decisions, in line with section 15 of the JSE Listings requirements. The relationship between the Company and RHBM is governed by a shareholder-approved management agreement.

2. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE

2.1 The following accounting standards, interpretations and amendments became effective during the current year

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 7
The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IFRS 7 and IFRS 16
When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The above amendments had no material impact on the financial results of the Company as the group does not have any assets or liabilities that are measured at JIBAR.

2.2 The following accounting standards, interpretations and amendments have been issued but are not yet effective as at 28 February 2022

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss. The effective date of the amendment is yet to be determined by the IASB.

The amendment will have no material impact on the Company's annual financial statements as the Company has not applied IAS 28 and measures all investments at fair value through profit and loss.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12
The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the Company's annual financial statements.

Definition of accounting estimates: Amendments to IAS 8
The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the Company's annual financial statements.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9
The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the Company is for years beginning on or after 01 January 2022.

It is unlikely that the amendment will have a material impact on the Company's annual financial statements as the Company has not modified the terms of its financial assets and liabilities in recent years.

3. BASIS OF PREPARATION

3.1 Statement of compliance and basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa, the RSE Listings Requirements and the JSE Listings Requirements. These annual financial statements have been prepared on the historical cost basis, except for investments and loans in group companies which are measured at fair value through profit and loss.

3.2 Functional and presentation currency

The annual financial statements are presented in South African Rand, which is also the Company's functional currency.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the annual financial statements includes the determination of fair value for assets that are carried at fair value through profit or loss.

4.1 Investment entities

The Company, its subsidiaries and indirectly held associates – RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Bophelo Financial Services Proprietary Limited ("RHFS") – are classified as investment entities in line with IFRS 10 *Consolidated Financial Statements*.

According to IFRS 10, RH Bophelo as an investment entity measures its investments in subsidiaries and its indirectly held associates at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*.

After conducting an assessment of the Company's activities and business purpose, the Board of Directors have concluded that the Company meets the definition of an investment entity as per IFRS 10 based on the following factors:

- The Company and its subsidiaries obtained funds from more than one investor with the purpose of providing those investors with investment management services;
- The Company and its subsidiaries also committed to its investors that its business purpose is to invest in commercially viable healthcare and financial services assets that are cashflow positive or will be cashflow positive within 12 months; and
- The Company and its subsidiaries measure and evaluate the performance of all its investments on a fair value basis.

Furthermore, the Company, its subsidiaries and its indirectly held associates have more than one investment; the Company also has more than one investor and its investors are not related parties, additionally our interest is mainly in equity form in all our investments. The Company has an approved investment policy and has documented the Company's exit strategy which outlines the Company's approach to managing its investments.

The Company has set up RHBO and RHFS as separate legal entities in line with the business model for managing healthcare and financial services as discrete business segments. RHBO and RHFS also committed to investors that the business purpose is to invest in commercially viable healthcare and financial assets that are cashflow positive or will be cashflow positive within 12 months. The two subsidiaries measure and evaluate the performance of all investments on a fair value basis.

Based on the above assessment it was concluded that the Company and its subsidiaries (RHBO and RHFS) are investment entities and are therefore exempt from consolidation in line with paragraph 31 of IFRS 10. The underlying investments in subsidiaries held by the Company are accounted for as financial assets measured at fair value through profit or loss in accordance with IFRS 9. Additionally, as RHBO and RHFS are investment entities in their own capacity that have been structured separately in order to distinguish between the healthcare and the financial services portfolio, they are accounted for at fair value through profit or loss.

The Company received its investment management services from RH Bophelo Management Company Proprietary Limited ("RHBM"), an entity that is not controlled by the Company. The investment management company is an autonomous entity, that is not influenced or controlled by RH Bophelo Limited, as RH Bophelo has no shareholding or managerial involvement in RHBM. RHBM is able to provide investment management services and to raise capital for parties other than RH Bophelo. As a result, even though RHBM provides management services to the Company, it is not a service subsidiary in terms of IFRS 10 and is therefore not consolidated.

4.2 Unlisted investments

In valuing unlisted investments which form part of the financial assets of the Company, key assumptions and judgements are applied in determining the weighted average cost of capital ("WACC"); terminal growth rate ("TGR"); capital structure; market interest rates; earnings before interest, tax, depreciation and amortisation ("EBITDA"); compounded annual growth rate ("CAGR") and capitalisation rates to be used in the Sum of the Parts Valuation ("SOTP").

The basis for valuing unlisted investments is fair value. At the reporting date, an assessment is made of the value of each investment to determine any changes required in the fair value of the investments. Judgement is applied in identifying the most appropriate valuation method to determine the fair value of each investment. The Company considers the different valuation methods ranging from the earnings multiple method, the earnings yield method and the discounted cash flow method. The Company has applied the discounted cash flow methods for all its equity investments. This ensures consistency and comparability across different investments across the two segments.

The Company uses an SOTP valuation method, where all the different investee company businesses, properties and loans to group companies held are valued separately and then added together, less any net debt in order to calculate the total value of the Company. The cash flows of the different businesses are valued using a discounted cash flow ("DCF") method, whilst the properties are valued on the capitalisation rate method and the loans to group companies are discounted using fair market rates. This valuation approach is applied on an investment-by-investment basis across all portfolio assets.

The discounted cash flow method is used to derive the enterprise value of each investment using reasonable assumptions that are supported by external, third party inputs when applicable. Such inputs include market yields on corporate bonds, economic growth estimates provided by the SA Reserve Bank, and estimations of inflation rates over the investment horizon. In deriving the enterprise value, judgement is applied in estimating future post-taxation cash flows and the terminal value (free cash flows available to the Company), and then discounting to the present value by applying an appropriate risk-adjusted rate that captures the risk inherent to the Company's projected WACC.

To provide an illustration of the sensitivity of the recognised fair values to changes in inputs, the Company has identified key inputs used in computing the DCF valuations and provided a sensitivity analysis based on changes – both favourable and unfavourable – to the inputs. The details of significant inputs are included in note 6.

Fair values of unlisted financial instruments are disclosed as level 3 in the fair value hierarchy since they have unobservable inputs and the valuation requires greater judgement and estimation in determining appropriate valuation assumptions and obtaining relevant and reliable inputs. The unobservable inputs applied do however reflect the assumptions that a market participant would apply when determining the pricing for the same assets.

4.3 Loans to group companies

When advancing and valuing loans to group companies, the Company considers the following factors:

- The purpose of the loan including the growth and expansion opportunities identified by the investee companies;
- The capacity of the investee companies to service the loans;
- Term of the loan;
- Market interest rate for purposes of valuing the loans; and
- The current portion of loans to group companies, which is based on the loan model and is equal to the sum of anticipated repayments for the next 12 months.

5. ACCOUNTING POLICIES

5.1 Financial instruments

5.1.1 Recognition and classification

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans to group companies and other payables.

Financial assets

The Company classifies its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

As an investment entity, the Company's financial assets relate to investments in subsidiaries and its associates. The Company classifies financial assets as held at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets which do not meet the requirement to be classified as financial assets held at amortised cost are carried at fair value through profit or loss. Due to the Company's business model of managing its loans to group companies – which is not to collect contractual cash flows made up of principal and interest – the loans to group companies are mandatorily measured at fair value through profit or loss as the primary reason for advancing these loans were to support the business of the subsidiaries as opposed to collecting contractual cash flows.

At 28 February 2022, the Company's financial assets comprised the following:

- Investments in subsidiaries and associates – classified at fair value through profit or loss;
- Loans to group companies – mandatorily measured at fair value through profit or loss. Refer to 5.1.3;
- Other receivables – classified at amortised cost; and
- Cash and cash equivalents – classified at amortised cost.

Financial liabilities

The Company classifies financial liabilities as financial liabilities measured at amortised cost.

5.1.2 Initial measurement

Financial instruments are initially measured at fair value. Transaction costs for financial instruments that are not at fair value through profit or loss, are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Transaction costs associated with the issue of the Company's own equity instruments are set off against the proceeds from the issue of equity instruments.

The transaction price of the consideration received or given in exchange for a financial instrument, is generally regarded as the fair value of the financial instrument. However, the Company occasionally provides financial support to investee companies on terms that are different from market-related terms. When the fair value of the financial instrument differs from the transaction price at initial recognition, the Company accounts for the day 1 gain or loss as a deferred gain or loss in line with IFRS 9. For transactions involving investee companies, the deferred gains are presented as an adjustment to the carrying amount of the investment.

5.1.3 Subsequent measurement

Financial assets and financial liabilities are subsequently measured in accordance with the initial classification category.

- Mandatorily measured at fair value through profit or loss – dividend income and fair value gains and losses on financial assets are recognised in the statement of profit or loss as part of investment income as fair value gains or losses on financial instruments. Interest income is disclosed seperately on the face of the statement of profit or loss.
- Financial assets classified at amortised cost are subsequently measured using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.
- Financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.
- Day 1 gains and losses will be derecognised once loans are fully repaid.

Impairment of financial assets

The impairment model is applied only on financial assets measured at amortised cost. The Company measures its financial assets at fair value through profit or loss with the exception of other receivables and cash and cash equivalents which are both measured at amortised cost.

The Company applies the IFRS 9 simplified approach in measuring Expected Credit Losses (ECL) for its other receivables, which uses a lifetime expected loss allowance. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the number of days past due.

Expected credit losses on other receivables are presented as credit losses within operating expenses.

Measurement and recognition of expected credit losses

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

Due to the short-term nature of the cash and cash equivalents, and the fact that all counter parties are well established financial institutions with a good credit rating, no credit losses are estimated for the cash balances. Refer to note 27.2.

5.1.4 Derecognition of financial instruments

Derecognition of financial assets
The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expires; or
- the financial asset is transferred resulting in the transfer of substantially all the risk and rewards of ownership and the Company no longer retains control of the asset.

Derecognition of financial liabilities
The Company derecognises a financial liability when the obligation per the contract has been fulfilled or expired.

5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

Cash and cash equivalents are classified at amortised cost. It is the policy the Company not to discount cash and cash equivalents as the Company regards carrying amount to approximate fair value.

5.3 Other receivables

Other receivables are initially measured at fair value which approximates the transaction price.

Other receivables are subsequently measured at amortised cost, and derecognised upon settlement by the counterparty.

5.4 Loans to group companies

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company provides loans to investee companies based on the needs to fund critical projects at the investee companies. In providing the loans, the Company regards the financial assistance as a necessary intervention in ensuring that the investee companies can maximise returns, which in turn, improves the generation of investment income and capital appreciation for the Company. The intention of the Company is not primarily the recovery of the contractual cashflows (capital and interest), but mainly to facilitate growth capital to investee companies for expansion purposes. In line with its strategy of monitoring the performance of the investee companies on a fair value basis, the Company measures the loans advanced to investee companies as financial assets at fair value through profit or loss.

This is primarily due to the fact that the measurement of the loans at fair value is more reflective of the way the Company measures and monitors its investments in its indirectly held associates and subsidiaries. Additionally, the focus on the evaluation and management of the performance of its associates and subsidiaries, rather than the nature of the loans advanced to the investee companies, results in more relevant information for the Company and its shareholders.

The valuation process for the loans to group companies is further explained in note 7.

5.5 Unlisted investments

The Company's unlisted investments are investments in subsidiaries and its associates. As the Company is an investment entity the subsidiaries are not consolidated and the associates are not equity accounted.

Beyond initial measurement, the Company determines the fair value of each investment on a continuous basis. The valuation techniques applied to the valuation of each investment incorporate level 3 inputs. IFRS 13 identifies a hierarchy of fair value inputs depending on the nature and source of the inputs used to determine the fair value of a recognised financial asset or liability. The Company applies this criteria in its fair value disclosures for unlisted investments. The allocation of a valuation input into the fair value hierarchy is determined on the level of the lowest level input that is significant to the fair value measurement in its entirety. Fair value changes are accounted for in profit or loss for the year as net gains or losses on financial assets at fair value through profit or loss.

A summary of the unlisted investments is contained in note 6.

5.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

5.7 Income tax

Income tax represents current and deferred tax. Current and deferred tax are recognised in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

5.7.1 Current tax assets and liabilities

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

5.7.2 Deferred tax liabilities

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such deferred tax liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

5.8 Investment income

The Company's investment income is made up of dividends, interest and fair value gains or losses on financial assets:

- Interest income (interest income from loans to group companies and interest income from bank balances) is recognised in the statement of profit or loss;
- Fair value movements through profit or loss consist of fair value gains or losses from financial assets measured at fair value through profit or loss, these are recognised on a bi-annual basis, using a suitable valuation methodology; and
- Dividend income (dividend income from investments in financial instruments) is recognised in the statement of profit or loss. Dividends are recognised when it is appropriately authorised and no longer at the discretion of the entity.

5.9 Other income

Other income is mainly made up of Board fees and due diligence costs recovered which are recognised on the accrual basis.

5.10 Segment reporting

The Company's Executive Committee – made up of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and all operational executives – fulfils the role of the chief operating decision maker ("CODM"). The Executive Committee has been allocated the responsibility to continuously monitor the various components of the business and allocate capital and strategic resources based on the performance of each component. The Committee achieves this through reporting internally on each component on a monthly and quarterly basis.

The Executive Committee – as the CODM – has identified the following components as operating segments both for management and external reporting purposes:

- Healthcare segment – focusing on investments in healthcare infrastructure, and property companies; and
- Financial services segment – focusing on investments in insurance and financial services relating to healthcare.

The reporting segments have been identified after applying the quantitative thresholds and after aggregating operating segments with similar characteristics. The related nature and complementarity of the services and focus areas are considered in aggregating operating segments into a reportable segment. Furthermore, discrete financial information is prepared and evaluated by the CODM in relation to the two segments identified.

The CODM regularly reviews the operating results of the healthcare and financial services segments and allocates resources based on the results of the reviews. In line with the exemption from consolidation and applying equity accounting, the Company does not account for associates in each segment using the equity method. Such investments are accounted for at fair value.

The financial performance and financial position of each segment have been disclosed in note 28.

5.11 Lease liabilities

The Company is a party to a lease contract relating to its office buildings.

Leases are accounted for by recognising a right-of-use asset and a lease liability unless they are regarded as short-term leases (less than 12 months) or leases of low-value assets.

At the inception of each new contract where the Company is a party to the contract, an assessment is undertaken to assess whether the contract contains a lease. In assessing the contract, the Company considers whether the contract conveys the right to control the use of an identified asset. This assessment includes the following factors:

- Whether the contract involves the use of an asset explicitly identified in the contract. The asset must be physically distinct or represent substantially all the capacity of the asset;
- Whether the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- Whether the Company has the right to direct the use of the asset.

Once a lease is identified, the Company recognises and measures the lease by recognising a right-of-use asset and a lease liability as follows:

	Right-of-use asset	Lease liability
Initial measurement	The right-of-use asset is initially measured at an amount equal to the lease liability plus any pre-commencement payments made on the lease; initial direct costs incurred by the Company; and where applicable – an estimate of the future costs of dismantling or restoring the leased asset in terms of the lease agreement.	The lease liability is initially measured at the present value of contractual payments due over the lease term. The discount rate used to discount the gross contractual payments to the present value is the incremental borrowing rate at the date of commencing the lease agreement.
Subsequent measurement	The Company applies the cost model for the right-of-use asset recognised under the lease. The right-of-use asset is depreciated on a straight-line basis over the lease term. Depreciation is recognised as part of operating expenses.	After initial recognition, the lease liability increases as a result of finance costs – computed with reference to the interest rate per the lease agreement – and the lease liability is reduced by the value of any lease payments made. The finance costs are recognised as an interest expense over the time of the lease.
Termination of lease	When the lease is terminated, the remaining balance on the right-of-use asset and the lease liability are immediately derecognised. Any difference between the right-of-use asset and the lease liability is recognised as a derecognition gain or loss in the determination of profit or loss for the year.	

Details on leases entered into by the Company are disclosed in notes 8 and 9.

5.12 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Useful life
Furniture and fixtures	Straight line	5 years
Right-of-use asset – (buildings)	Straight line	5 years (lease-term)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

The useful life of 5 years has been applied for both the furniture and fixture is in line with the lease term of the right-of-use asset.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 R	2021 R
Opening balance	842 778 946	509 735 040
Additions – acquired in shares	-	86 250 001
Additions – acquired in cash	22 858 882	75 214 343
Disposals*	(2 130 183)	-
Fair value gains	58 491 827	171 579 562
	921 999 472	**842 778 946**

The Company's investments are unlisted equity made in entities that are operating in South Africa. The investments are measured at fair value through profit or loss. The investments under RHBO and RH 12J have been designated into healthcare investments portfolio and investments under RHFS have been designated into financial services investments portfolio.

**RH 12J was disposed of during the year under review.*

Investments in unlisted equity instruments – reconciliation

2022

R	Opening balance	Additions/ (disposals)	Fair value changes*	Closing balance
RHFS	65 098 258	15 900 000	5 333 110	86 331 368
RHBO**	775 466 243	6 958 882	53 242 979	835 668 104
RH 12J	2 214 445	(2 130 183)	(84 262)	-
	842 778 946	**20 728 699**	**58 491 827**	**921 999 472**

2021

R	Opening balance	Additions	Fair value changes*	Closing balance
RHFS	3 746 257	52 500 001	8 852 000	65 098 258
RHBO**	503 774 338	108 964 343	162 727 562	775 466 243
RH 12J	2 214 445	-	-	2 214 445
	509 735 040	**161 464 344**	**171 579 562**	**842 778 946**

**Refer to note 17.*
***RHBO includes a day 1 deferred gain of R5.7 million recognised on loans provided to this entity. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant day 1 gains and losses; are presented as an adjustment to the carrying amount of the investments.*

The valuation of the investments in unlisted equities relies on various unobservable inputs that are sensitive to changes that would affect the recognised value of the investments in the annual financial statements. To aid stakeholders understand the significant unobservable inputs that influence the valuation process, the Company has identified the key inputs used in the valuations. A sensitivity analysis on these inputs has been prepared and disclosed in order to illustrate the potential impact of the changes to these inputs on the amounts recognised in the financial statements. Refer to note 6.2. The valuation of investments and resultant sensitivity analysis include the COVID-19 impact. Refer to note 25.

6.1 Summary of significant investments

2022

Entity	Description	Economic interest	Fair value at year end (R)	WACC (post-tax)	Proportion of total investments
Investments in subsidiaries*					
Africa Healthcare	Operates and owns hospitals and manufactures healthcare clothing	100%	346 329 018	18.40%	38%
Rondebosch Medical Centre	Hospital services	100%	209 659 959	19.80%	23%
Medicare Hospital	Hospital services and investment property	51%	200 925 000	19.32%	22%
Vryburg Private Hospital	Hospital services and investment property	81%	32 721 975	20.89%	4%
Investments in associates*					
Genric Insurance	Short-term insurance	30%	79 399 999	21.50%	9%

All entities are incorporated in South Africa.

**Each of the investments listed here represents at least 3% of the total value of the investments at fair value through profit or loss. The DCF method was used to value all investments using a terminal growth rate of 4.5% to 5%.*

2021

Entity	Description	Economic interest	Fair value at year end (R)	WACC (post-tax)	Proportion of total investments
Investments in subsidiaries*					
Africa Healthcare	Operates and owns hospitals and manufactures healthcare clothing	100%	309 051 124	17.55%	37%
Rondebosch Medical Centre	Hospital services	100%	197 341 805	18.25%	24%
Medicare Hospital	Hospital services and investment property	51%	176 648 074	17.20%	21%
Vryburg Private Hospital	Hospital services and investment property	81%	31 198 897	18.20%	4%
Investments in associates*					
Genric Insurance	Short-term insurance	25%	56 239 238	17.60%	7%

**Each of the investments listed here represents at least 3% of the total value of the investments at fair value through profit or loss. The DCF method was used to value all investments using a terminal growth rate of 3.3% to 4.4%.*

6.2 Sensitivity analysis

The ranges (and absolute values) used for the key unobservable inputs are as follows:

Input	Range used (2022)	Range used (2021)
Capitalisation rate	10% to 13.5%	10% to 12%
TGR (Terminal Growth rate)	4.5% to 5%	3.3% to 4.4%
WACC (Weighted Average Cost of Capital)*	18.40% to 21.50%	17.20% to 21.05%
EBITDA (Earnings before interest, tax, depreciation and amortisation)**	12% to 14%	12% to 14%
Market interest rate	7% to 8%	7% to 8%

**A risk adjustment factor is incorporated in the calculation of WACC for each investment, which factors the planned growth projections and any market uncertainty, such as the impact of COVID-19.*
***The disclosures relating to EBITDA are based on a seven-year compounded annual growth rate and have been provided as part of the enhanced reporting on the sensitivity analysis for investments.*

Explanation of key valuation inputs and possible impact of changes in inputs:

Significant unobservable input	Current unit of measurement	Favourable changes	Unfavourable changes
Capitalisation rate #	10% to 13.5%	Decrease by 25 basis points, will result in increase in the value of investments at year-end.	Increase by 25 basis points, will result in decrease in the value of investments at year-end.
Terminal Growth rate	4% to 5%	Increase by 25 basis points, will result in increase in the value of investments at year-end.	Decrease by 25 basis points, will result in decrease in the value of investments at year-end.
WACC (range)	15.40% to 21.50%	Decrease by 25 basis points, will result in increase in the value of investment at year-end.	Increase by 25 basis points, will result in decrease in the value of investments at year-end.
EBITDA (Using the seven-year compounded annual growth rate on EBITDA)	12% to 14%	Increase by 250 basis points, will result in an increase in the value of investments at year-end.	Decrease by 250 basis points, will result in a decrease in the value of investment at year-end.
Market interest rate (Prime rate 7.5%) (for loans to group companies)	7% to 8%	Decrease by 50 basis points, will result in increase in the loan balance at year-end.	Increase by 50 basis points, will result in decrease in the loan balance at year-end.

The sensitivity analysis relating to the terminal growth rate was applied on the combined terminal value for all investments of R486 315 555 (prior year: R401 272 788). The terminal value range used in 2022 was R22.7 million to R188 million and a range of between R18 million to R172 million used in 2021. The terminal value range is only presented for significant assets as presented in note 6.1.

The Company does not expect the unobservable inputs to fluctuate by more than 25 basis points on the capitalisation rate, terminal growth rate, weighted average cost of capital and market interest rates and 250 basis points on earnings before interest, tax, depreciation and amortisation was deemed as an appropriate measurement for the sensitivity analysis on investments.

#The capitalisation rate is used in the valuation of properties acquired as part of investments.

	2022		2021	
Significant unobservable input	**Favourable changes (+)**	**Unfavourable changes (-)**	**Favourable changes (+)**	**Unfavourable changes (-)**
Capitalisation rate	5 935 600	(5 682 382)	30 340 065	(30 188 743)
Terminal growth rate	8 910 714	(9 142 534)	9 507 319	(5 156 411)
WACC	13 973 463	(14 010 709)	16 818 024	(12 102 919)
EBITDA	26 687 823	(27 231 222)	19 738 150	(15 612 578)
Total	55 507 600	(56 066 847)	76 403 558	(63 060 651)
Current fair value as at year end	**921 999 472**	**921 999 472**	**842 778 945**	**842 778 945**
Fair value after accounting for total effect of changes in inputs	977 507 072	865 932 625	919 182 503	779 718 294

6.3 Sensitivity analysis: Properties

Included in some of the investment balances are amounts relating to properties that are acquired as part of the investee companies. The capitalisation rate used to value each property is a significant unobservable input. An increase in the capitalisation rate results in a decrease in the fair value of the property and – by extension – the fair value of the investment. A decrease in the capitalisation rate results in an increase in the fair value of the property and – by extension – the fair value of the investment.

The sensitivity analysis relating to the property component of each investment with a fair value that has a property element is as follows:

Investments with a property component	**Total fair value at year-end (R)**	**Property value included in valuation (R)**	**Residual**	**Capitalisation rate**	**Changes in capitalisation rate (R)**	
2022					**Favourable (-25 bps)**	**Unfavourable (+25 bps)**
Africa Healthcare*	346 329 018	95 800 000	250 529 018	12%–13.5%	1 834 043	(1 766 308)
Vryburg Private Hospital	32 721 947	24 300 000	8 421 947	11%	565 116	(540 000)
Medicare Private Hospital	200 925 000	101 202 000	99 723 000	11%	2 353 535	(2 248 933)
RH Bell Clinic**	13 194 804	34 000 000	(20 805 196)	10%	871 795	(829 268)
Fauchard Clinic	17 410 218	14 000 000	3 410 218	11.5%	311 111	(297 872)

**Africa Healthcare consists of two properties, St Helena Property (R84 800 000 with a capitalisation rate of 13.5%) and Fochville (R11 000 000 with a capitalisation rate of 12%).*
***RH Bell includes a loan to Notamed. Refer to note 7.1.*

Investments with a property component	**Total fair value at year-end (R)**	**Property value included in valuation (R)**	**Residual**	**Capitalisation rate**	**Changes in capitalisation rate (R)**	
2021					**Favourable (-25 bps)**	**Unfavourable (+25 bps)**
Africa Healthcare	309 051 124	11 000 000	298 051 124	12%	234 043	(224 490)
Vryburg Private Hospital	31 198 897	23 490 000	3 994 778	11%	546 279	(522 000)
Medicare Private Hospital	176 648 074	73 118 000	103 530 074	10.5%	1 783 366	(1 700 419)
RH Bell Clinic*	29 905 438	34 000 000	(13 776 032)	10%	871 795	(829 268)
Fauchard Clinic	18 612 802	9 095 002	10 336 947	11.5%	202 111	(193 511)

**RH Bell includes a loan to Notamed. Refer to note 7.1.*

6.4 Sensitivity analysis – significant investments in unlisted equities

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the Company's most significant financial assets (each making up at least 3% of the total investments). As the investments are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

2022							
Significant unobservable input		**WACC**		**EBITDA**		**TGR**	
Subsidiaries	**Total fair value at year-end**	**Favourable -25 bps**	**Unfavourable +25 bps**	**Favourable +250 bps**	**Unfavourable -250 bps**	**Favourable +25 bps**	**Unfavourable -25 bps**
Africa Healthcare	346 329 018	5 634 671	(5 440 972)	10 226 660	(10 226 660)	3 605 138	(3 482 066)
Medicare Private Hospital	200 925 000	2 816 064	(2 717 801)	6 683 703	(6 683 703)	1 833 973	(1 771 041)
Rondebosch Medical Centre	209 659 959	3 713 434	(3 587 843)	5 924 616	(5 924 616)	2 389 096	(2 309 493)
Fauchard Clinic	9 880 614	260 256	(249 192)	415 974	(415 974)	184 576	(176 940)
Indirect Associates							
Genric Insurance	79 399 999	825 304	(1 306 207)	1 555 429	(2 073 071)	132 944	(637 317)

2021							
Significant unobservable input		**WACC**		**EBITDA**		**TGR**	
Subsidiaries	**Total fair value at year-end**	**Favourable -25 bps**	**Unfavourable +25 bps**	**Favourable +250 bps**	**Unfavourable -250 bps**	**Favourable +25 bps**	**Unfavourable -25 bps**
Africa Healthcare	309 051 124	7 911 449	(3 702 639)	11 329 895	(7 344 646)	5 119 382	(1 017 195)
Medicare private Hospital	176 798 248	2 137 446	(2 054 965)	5 316 200	(4 316 200)	1 279 434	(1 230 299)
Rondebosch Medical Centre	197 341 805	4 568 480	(4 398 350)	5 478 813	(5 478 812)	2 431 082	(2 344 380)
Fauchard Clinic	28 452 081	239 529	(231 321)	232 300	(232 400)	122 694	(118 782)
Indirect Associates							
Genric Insurance	56 250 000	429 093	(266 289)	1 791 880	(1 641 564)	256 386	(99 842)

6.5 Investment portfolio – reconciliation of movements during the year

The table below has been provided as part of section 15 of the JSE Listings Requirements.

2022 RHBO portfolio

Subsidiaries	**Opening balance R**	**Additions R**	**Fair value changes R**	**Closing balance R**
Africa Healthcare	309 051 124	-	37 277 894	346 329 018
Vryburg Private Hospital	31 198 897	-	1 523 078	32 721 975
Medicare Private Hospital	176 648 074	-	24 276 926	200 925 000
RH Bell Clinic	29 905 438	-	(16 710 634)	13 194 804
Fauchard Clinic	18 612 802	-	(1 202 584)	17 410 218
Rondebosch Medical Centre	197 341 805	-	12 318 154	209 659 959
Indirect Associates				
PBHPM*	10 296 615	-	(13 615)	10 283 000
Locumbase**	-	4 000 000	-	4 000 000
	773 054 755	4 000 000	57 469 219	834 523 974
Other	2 411 488	2 958 882	(4 226 240)	1 144 130
	775 466 243	**6 958 882**	**53 242 979**	**835 668 104**

2022 RHFS portfolio

Subsidiaries	**Opening balance R**	**Additions R**	**Fair value changes R**	**Closing balance R**
Wesmart***	8 859 019	450 000	(2 278 670)	7 030 349
Indirect Associate				
Genric Insurance****	56 239 238	9 000 000	14 160 761	79 399 999
Other*****	-	6 450 000	(6 548 981)	(98 980)
	65 098 257	**15 900 000**	**5 333 110**	**86 331 368**

**Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM).*
***Locumbase Proprietary Limited was acquired in the current year for a consideration of R4 million for a 10% shareholding.*
****Includes an additional shareholder loan issued by RHFS for R450 000.*
*****Includes an equity investment of R9 million for an additional 5% shareholding.*
******Included under 'Other' is other external liabilities within RHFS and movements in RSOV.*

2021 RHBO portfolio

Subsidiaries	Opening balance R	Additions R	Fair value changes R	Closing balance R
Africa Healthcare	222 020 564	-	87 030 560	309 051 124
Vryburg Private Hospital*	26 545 792	7 422 000	(2 768 895)	31 198 897
Medicare Private Hospital	120 282 740	2 500 000	53 865 334	176 648 074
RH Bell Clinic	35 816 864	-	(5 911 426)	29 905 438
Fauchard Clinic**	28 452 081	4 535 033	(14 374 312)	18 612 802
Rondebosch Medical Centre	46 130 735	93 750 000	57 461 070	197 341 805
Indirect Associate				
PBHPM****	11 506 065	-	(1 209 450)	10 296 615
	490 754 841	108 207 033	174 092 881	773 054 755
Other	7 251 319	757 310	(5 597 141)	2 411 488
	498 006 160	**108 964 343**	**168 495 740**	**775 466 243**

2021 RHFS portfolio

Subsidiaries	Opening balance R	Additions R	Fair value changes R	Closing balance R
Wesmart	3 746 257	-	5 112 762	8 859 019
Indirect Associate				
Genric Insurance	-	52 500 000	3 739 238	56 239 238
	3 746 257	**52 500 000**	**8 852 000**	**65 098 257**

**Includes an additional shareholder loan issued by RHBO for R7.4 million. The loans to Vryburg had a fair value of R19 million at 28 February 2021.*
***Includes shareholder loan issued by RHBO for R4.5 million. The loan had a fair value of R7.8 million at 28 February 2021.*
****Includes an additional shareholder loan issued by RHBO for R78.7 million. The loan had a fair value of R90.3 million as at 28 February 2021. This also includes an additional equity investment of R15 million.*
*****Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM).*

7. LOANS TO GROUP COMPANIES

	2022 R	2021 R
Opening balance	43 819 072	40 253 541
Capital repayments	(6 000 000)	(4 705 424)
Interest accrued	5 272 643	5 372 592
Fair value adjustments	(111 396)	2 898 363
Closing balance*	**42 980 319**	**43 819 072**
Classification		
Current assets**	5 256 398	5 365 502
Non-current assets	37 723 921	38 453 570
	42 980 319	**43 819 072**

**Includes a day 1 deferred gain of R5.7 million recognised on loans provided to this entity. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.*

The classification between current and non-current assets is based on the expected date of settlement. Any amounts due within 12 months which are made up of any capital and interest are classified as current. The remainder is classified as non-current.

***The current asset portion of R5 256 398 is made up of amounts due from Africa Healthcare Proprietary Limited of R1 139 912 and Notamed Proprietary Limited of R4 116 486.*

7.1 Reconciliation of loans to group companies held at fair value through profit or loss

Africa Healthcare Proprietary Limited:		
Opening balance	14 606 417	16 241 632
Repayment	(6 000 000)	(4 305 424)
Interest accrued	1 472 008	2 078 867
Fair value adjustment	(1 260 714)	591 342
	8 817 711	**14 606 417**

The Company issued the loan to Africa Healthcare Proprietary Limited in June 2019 at 15% interest rate which is repayable in 5 years to enable Africa Healthcare Proprietary Limited to finance expansions. Refer to note 22.

Notamed Proprietary Limited (RH Bell Property Company)		
Opening balance	29 212 655	24 011 909
Repayments	-	(400 000)
Interest accrued	3 800 635	3 293 724
Fair value adjustment	1 149 318	2 307 022
	34 162 608	**29 212 655**

The Company issued the loan to Notamed Proprietary Limited in December 2019 at 15% interest rate which is repayable in 5 years to enable Notamed Proprietary Limited to finance expansions. Refer to note 22.

7.2 Sensitivity analysis

Explanation of key valuation inputs and possible impact of changes in inputs.

The Company has a financial assistance policy that governs the provision of financial assistance to group companies. A key input – the interest charged on the financial assistance – is dependent on the profile of each entity and is regarded as an unobservable input. This input is central to the valuation of the loans provided to group companies. As a result, any change to this and other unobservable input would affect the recognised value of the loans in the annual financial statements. To aid stakeholders understand the possible impact of the change in significant inputs that influence the valuation process for the loans to group companies, the Company has prepared a sensitivity analysis based on changes – both favourable and unfavourable – to the inputs.

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the Company's loans. As the loans are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

Loans at fair value through profit or loss

	2022		2021	
Significant unobservable input	**Favourable changes (-50 bps)**	**Unfavourable changes (+50 bps)**	**Favourable changes (-25 bps)**	**Unfavourable changes (+25 bps)**
Market interest rate: SA prime rate (prior year: prime + 1%)	602 468	(592 527)	314 784	(317 469)
Current fair value as at year end	**42 980 319**	**42 980 319**	**43 819 072**	**43 819 072**
Fair value after accounting for total effect of changes in inputs	43 582 787	42 387 792	44 133 856	43 501 603

8. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment – 2022

	Opening balance	Depreciation	Total
Furniture and fixtures*	542 521	(118 282)	424 239
Right-of-use asset on buildings**	3 498 739	(763 361)	2 735 378
	4 041 260	**(881 643)**	**3 159 617**

Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Depreciation	Total
Office equipment	-	591 408	(48 887)	542 521
Right-of-use asset on buildings	-	3 816 806	(318 067)	3 498 739
	-	**4 408 214**	**(366 954)**	**4 041 260**

**The assets relate to furniture and fixtures that were installed in the leased building. The assets are depreciated over 5 years in line with the lease term.*
***The right-of-use asset relates to the lease of office buildings for a period of 5 years.*

The Company leases its office buildings in terms of a five-year non-cancellable lease. On inception date, the Company recognised a right-of-use asset equal to the present value of the future lease payments value of the lease liability. As the Company uses a cost model in relation to its owned property, plant and equipment and the right-of-use asset has been depreciated over the lease term. Refer to note 9.

9. LEASE LIABILITIES

Lease liabilities have been included in the liabilities section on the statement of financial position.

The lease liability relating to the lease contract for office buildings has been computed using the contractual lease payments using the incremental borrowing rate in the lease. The reconciliation of the lease liability for the year is as follows:

	2022 R	2021 R
Opening balance	3 639 758	-
Additions	-	3 816 806
Interest accrued	237 147	109 126
Repayments	(892 718)	(286 174)
	2 984 187	**3 639 758**
Non-current liabilities	2 270 653	3 017 866
Current liabilities	713 534	621 892
	2 984 187	**3 639 758**

Undiscounted capital repayments are as follows: First year R900 375, second year R945 394, third year R992 663, and the fourth year R552 350. An escalation is applied year on year on the anniversary of the lease.

10. OTHER RECEIVABLES

Fees receivables	132 250	20 700
Prepayments	15 645	13 043
SARS VAT	296 995	288 764
	444 890	**322 507**

11. TAXATION

South African Income Tax

	10 948 303	**35 300 586**
Normal tax reconciliation:		
Profit before tax	64 432 483	166 517 801
Tax at 28%	18 041 095	46 624 984
Tax effect of adjustments on taxable income		
Exempt portion of capital gains on financial assets at fair value through profit or loss	(3 269 304)	(9 770 764)
Non-deductible expenses	2 954 564	500 476
Non-deductible portion of capital losses on disposal of investments	20 710	-
Exempt dividend income	(6 740 030)	(2 054 110)
Other	(58 732)	-
Effective tax expense	**10 948 303**	**35 300 586**

	2022 R	2021 R
Income tax paid		
Current tax receivable/(payable) at the beginning of the year	19 562	(439 388)
Receivable written off	-	-
Net amount paid	-	458 950
Current tax receivable/(payable)	**19 562**	**19 562**

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Call account	14 422	30 413 635
Current account	7 749 294	4 285 449
	7 763 716	**34 699 084**

Cash and cash equivalents consist of the Company's cash balances held in a current account and a call account with First National Bank.

13. STATED CAPITAL

Authorised

10 000 000 000 "A" no par value ordinary shares with voting rights. (2021: 10 000 000 000 "A" no par value ordinary shares with voting rights).

**1 "B" restrictive class of shares. (2021: 1 "B" restrictive class of shares.)*

Issued

64 691 298 "A" ordinary shares with no par value (2021: 64 691 298 "A" ordinary share in issue)

**1 "B" restrictive no par value class of shares held in issue (2021: 1 "B" restrictive no par value class of shares held in issue)*

Reconciliation of issued "A" shares	2022 Number of shares	2021 Number of shares
Opening balance	64 691 298	55 934 179
Issued during the year	-	8 757 119
	64 691 298	**64 691 298**

Reconciliation of issued "B" shares		
RH Bophelo Management Company Proprietary Limited	1	1
	1	**1**

**The Class B shares dividends are calculated based on 15% of more than 10% growth in accumulated net asset value less any accumulative equity raises. In the current year, the net asset value increased by 4.6% (prior year: 34%) and dividend declared of R nil (Prior year: R3.9 million). Dividends accrued and declared are payable within 30 days, if such dividends are not paid within 30 days, they will accrue interest at a prime plus 2% and class B shares will receive one voting right per B share, until fully settled. B shares only receive voting rights when payment of the B shares dividend is outstanding for longer than 30 days.*

Capital risk management

The Company manages its capital in a manner that seeks to ensure that it can invest in entities that will assist in maximising returns to shareholders. The Company is committed to utilising both debt and equity in acquiring strategic investments, our target debt is 30%. This strategy remains unchanged from prior year which is that management is in the process of capital raising to align with the target gearing ratio. The Company is not subject to any externally imposed capital requirements.

The Board through its Investment Committee reviews the capital structure on an annual basis. As part of this review, the Committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 30% per cent determined as the proportion of net debt to equity. The gearing ratio at 28 February 2022 of 0% was below the target range and has remained at 0% since the reporting date.

The “B” class share with no par value will form part of the capital structure and any dividends declared will have an impact on the capital structure in subsequent years.

	2022 R	2021 R
Net asset value	903 956 544	864 076 059
Number of shares in issue	64 691 298	64 691 298
Net asset value per share at year end	1 397,3 cents	1 335,6 cents
Tangible net asset value per share	1 397,3 cents	1 335,6 cents

Net asset value per share is used as a measurement for trading statement purposes.

14. DEFERRED TAX

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset and the net amount reported in the statement of financial position. The deferred tax liability is made up of the following temporary differences:

Fair value adjustments on financial assets at fair value through profit or loss	(74 791 078)	(61 666 854)
Right-of-use asset	(765 905)	(979 647)
Lease liability	835 572	1 019 132
Prepaid expenses	(4 017)	(3 652)
Tax loss carry forward	5 920 864	3 782 469
Property plant and equipment	7 709	-
Net deferred tax liability	**(68 796 855)**	**(57 848 552)**

Reconciliation of movement in deferred tax liability

Balance at the beginning of the year	(57 848 552)	(22 547 966)
Increase in fair value gains on financial assets at fair value through profit or loss	(13 124 224)	(39 118 888)
Decrease/(increase) in right-of-use asset	213 742	(979 647)
(Decrease)/increase in lease liability	(183 560)	1 019 132
Increase in prepaid expenses	(365)	(3 652)
Increase in tax loss available for set off against future taxable income	2 138 395	3 782 469
Decrease in property, plant and equipment	7 709	-
Balance at the end of the year	**(68 796 855)**	**(57 848 552)**

On 23 February 2022, a reduction in the corporate tax rate from 28% to 27% for the years of assessment commencing 1 April 2023 was announced. This impacts the measurement of deferred tax assets and liabilities which must be measured at the tax rates that are expected to apply to the period in which the underlying asset or liability is realised or settled. The impact is determined to be immaterial.

15. OTHER PAYABLES

	2022 R	2021 R
Accounts payable*	617 508	56 673
Accrued expenses**	12 482	59 389
	629 990	**116 062**

**Includes an amount of R300 000 being a donation pledged to RH Foundation.*
***Relates to JSE listing fees accrued for February 2022 which were settled subsequent to year end.*

16. INVESTMENT INCOME

Interest income from bank balances	554 035	1 648 122
Interest income from loans to group companies*	5 272 643	5 372 592
Total interest income	**5 826 678**	**7 020 714**
Dividend income**	24 071 536	7 336 107

**Refer to note 7 where loans to group companies are disclosed.*
***Dividend income relates to dividends received from RHFS and RHBO, refer to related parties note 21.*

17. FAIR VALUE GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets as at fair value through profit or loss	58 464 695	174 477 925
Fair value adjustment of investments in subsidiaries*	58 576 091	171 579 562
Fair value adjustment of loans to group companies**	(111 396)	2 898 363
	58 464 695	**174 477 925**

**The net gain is shown after offsetting a loss on disposal of RH12J of R84 262 against the total fair value of R58 491 827 as shown in note 6.*
***Refer to note 7 for full detailed reconciliation.*

18. OTHER INCOME

Directors' fees*	356 600	315 000
Other income	12 823	115 411
Support services**	1 502 893	-
	1 872 316	**430 411**

**Fees for Board participation in Rondebosch Medical Centre and Genric Insurance Company.*
***This represents fees charged for the provision of managerial, infrastructural and support services to RHBO and RHFS.*

19. EXPENSES

	2022 R	2021 R
Other operating expenses included the following		
Marketing and advertising	835 871	569 796
Depreciation – Property, plant and equipment	118 282	48 887
Depreciation – Right-of-use Asset	763 361	318 067
Listing fees	745 315	338 757
Management fees*	4 520 532	6 904 402
Remuneration for non-executive directors	1 842 460	1 178 467
Office rent	-	248 312
Employment costs	1 830 366	77 574
Due diligence expenses	447 334	371 572
Financial reporting and audit fees	1 586 532	6 461 477
Professional fees	3 578 103	1 144 604
Secretarial fees	1 582 671	1 142 555
Write off of non-financial assets	-	111 978
Interest expense: lease liabilities	237 147	109 126
Enterprise and supplier development expenses**	1 720 000	2 430 438

**Management fees are 1% per quarter of the RH Bophelo's enterprise value, with adjustment of average share price for the year.*
***Enterprise and supplier development expenses mainly consist of donations to RH Foundation NPC which is a related party. The relationship is mainly through the cross directorship of Vuyokazi Nomvalo in both RH Bophelo and RH Foundation NPC.*

20. DIRECTORS' REMUNERATION

Remuneration paid to the Directors during the current period ended 28 February 2022 was as follows:

	For services as a Director****	Remuneration	Total
Quinton Zunga*	-	2 000 000	2 000 000
Vuyokazi Nomvalo*	-	1 440 255	1 293 864
Dion Mhlaba*	-	1 800 000	1 800 000
Colin Clarke*	-	1 620 000	1 620 000
John Oliphant	300 000	-	300 000
Solomon Motuba	281 460	-	281 460
Kgaogelo Ntshwana	230 000	-	230 000
David Sekete**	206 000	-	206 000
Refiloe Nkadimeng	50 000	-	50 000
Dinao Lerutla	305 000	-	305 000
Bojane Segooa	220 000	-	220 000
Fulu Makwetla***	200 000	-	200 000
Lyndsay Maseko	60 000	-	60 000
	1 852 460	**6 713 864**	**8 566 324**

**The Executive Directors are remunerated by RH Bophelo Management Company Proprietary Limited, remuneration for Executive Directors is made up of salaries that are short-term employee benefits. The Directors have standard employment contract terms.*
***R10 000 was earned through board participation in Africa Healthcare Proprietary Limited.*
****Fulu Makwetla is the Prescribed Officer, a member of the Investment Committee and Director in RH Bophelo Management Company.*
*****The fees earned by non-executive directors are for Board meeting attendance.*

Remuneration was paid to the Directors during the 28 February 2021 period as follows:

	For services as a Director****	Remuneration	Total
Quinton Zunga*	-	2 000 000	2 000 000
Vuyokazi Nomvalo*	-	1 293 864	1 293 864
Dion Mhlaba*	-	1 800 000	1 800 000
Colin Clarke	-	1 620 000	1 620 000
John Oliphant	130 000	-	130 000
Solomon Motuba	180 000	-	180 000
Kgaogelo Ntshwana	160 000	-	160 000
David Sekete	149 500	-	149 500
Refiloe Nkadimeng	140 000	-	140 000
Dinao Lerutha	207 000	-	207 000
Bojane Segooa	120 000	-	120 000
Fulu Makwetla	90 000	-	90 000
	1 176 500	**6 713 864**	**7 890 364**

**The fees earned by non-executive directors are for Board meeting attendance.*

21. RELATED PARTIES

Related parties are entities with the ability to control the other party or exercise significant influence over such party in making financial and operating decisions, or anyone that is part of the key management personnel (including directors) of the company. Management considered the key agreements, transactions and relationships between the Company and other entities and has classified the entities listed below as a related party. The Company discloses all its relationships in investments that are owned directly and indirectly. Direct investments include investments that are owned by RH Bophelo and indirect investments include investments that are owned through investments of RHBO and RHFS. Where applicable, any transaction with a related party is disclosed below.

Relationships

Relationship with direct subsidiaries	
RH Bophelo Operating Company Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Quinton Zunga, Vuyokazi Nomvalo, David Sekete, Dion Mhlaba, John Oliphant.
RH Financial Services Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke.
RH Bophelo Property Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke.
RH 12J Limited	Investment into a 12J fund in Healthcare infrastructure. Cross directorship for the following directors in RH Bophelo Limited: Colin Clarke, Dion Mhlaba, Vuyokazi Nomvalo. The company was disposed of during the current year.

Relationship with indirect subsidiaries	
Africa Healthcare Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Vuyokazi Nomvalo and Colin Clarke.
Vryburg Holding Company Proprietary Limited	81% shareholding unconsolidated subsidiary, held through RHBO, cross directorship of Colin Clarke.
Henley Solution Proprietary Limited	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke.
Megafrack Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Dion Mhlaba and Colin Clarke.
Fauchard Tandheelkundige Sentrum Proprietary Trading as Fauchard Day Clinic	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke.
RH Florida Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke.
RH Bell Clinic Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke.
Notamed Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke.
RSOV previously “Vutomi Health Membership”	100% shareholding unconsolidated subsidiary held through RHFS, cross directorship of Dion Mhlaba and Colin Clarke. The company was disposed of during the year.
RH Bophelo Pharma Proprietary Limited	100% shareholding unconsolidated subsidiary.
Fezinet Proprietary Limited trading as Vryburg Private Hospital	81% shareholding, unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke.
Fenetiq Proprietary Limited	81% shareholding, unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke.
BMC Gilliwie Proprietary Limited trading as Medicare Private Hospital	51% Shareholding, unconsolidated subsidiary held through Megafrack, cross directorship of Colin Clarke and Vuyokazi Nomvalo.
Magnacorp 84 Proprietary Limited	50.1% shareholding, unconsolidated subsidiary held through Megafrack, cross directorship of Colin Clarke and Vuyokazi Nomvalo.
Wesmart Financial and Administration Solution Proprietary Limited	60% shareholding, unconsolidated subsidiary held through RHFS, cross directorship of Dion Mhlaba and Colin Clarke.
Rondebosch Medical Centre Proprietary Limited	100% shareholding, unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke.
Relationship with indirect associates and joint ventures	
Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (“PBHPM”)	49% unconsolidated associate held through RHBO, manages and owns 8.3% in Botshilu Private Hospital Proprietary Limited, cross directorship of Vuyokazi Nomvalo.
Botshilu Private Hospital Proprietary Limited	8.3% owned by Phelang Bonolo, a hospital in Soshanguve.
Botshilu Properties Proprietary Limited	100% owned by Botshilu Private Hospital Proprietary Limited and owns the hospital property in Soshanguve.
Pharmaways Healthcare Proprietary Limited	50% shareholding, unconsolidated joint venture held through Africa HealthCare Proprietary Limited, cross directorship of Colin Clarke and Vuyokazi Nomvalo.
Genric Insurance Company Limited	30% shareholding, unconsolidated associate held through RHFS, cross directorship of Colin Clarke and John Oliphant (chairman of RHB).
Locumbase Proprietary Limited	10% shareholding, unconsolidated associate held through RHBO.

Relationship with directors, shareholders and others	
RH Bophelo Management Company Proprietary Limited	Cross directorship for the following directors in RH Bophelo Limited: Quinton Zungu, Dion Mhlaba, Collin Clarke and John Oliphant. Provides investment management services and holds the B share. The agreement cannot be terminated in the first five years for convenience or without cause, after the initial five years the agreement can be terminated with a 12 months notice.
RH Managers Proprietary Limited	Cross directorship with RH Bophelo Limited: Quinton Zunga, Dion Mhlaba, and David Sekete (non-executive). The company and RH Managers share an office space.
Metamax Proprietary Limited	Dion Mhlaba is a director in both Megafrack and Metamax, both companies own majority shareholding in Magnacorp and Medicare hospital. Metamax owns 45% of Medicare hospital and 49% of Magnacorp Proprietary Limited.
RH Bophelo Energy Proprietary Limited	Cross directorship of Dion Mhlaba and Colin Clarke.
RQ Capital Partners Proprietary Limited	Quinton Zunga (CEO) is the majority shareholder and holds 3% issued shares of the company.
Third Way Investment Group Proprietary Limited	John Oliphant (chairman of RHB) is the majority shareholder and holds 2% issued shares of the company.
Public Investment Corporation SOC Limited	Shareholder with significant influence.
K2015398326 Proprietary Limited	Loan receivable by RHBO at fair value of R1.6 million.
Medicare Practitioners Investment Holdings Proprietary Limited	Loan receivable to Medicare Private Hospital of R2.4 million.
RH Foundation NPC*	Cross directorship of Vuyokazi Nomvalo.

**RH Foundation NPC is used to advance the Company's corporate social responsibilities.*

Related party balances reflected on the statement of financial position at year end

	2022 R	2021 R
Loan accounts – owing by related parties		
Africa Healthcare Proprietary Limited	8 817 711	14 606 417
Notamed Proprietary Limited	34 162 608	29 212 655
	42 980 319	**43 819 072**
Amounts included in other receivable due from related parties		
Genric Insurance Company Limited	132 250	20 700
	132 250	**20 700**
Other transactions		
Amounts included in other payables due to related parties		
Directors' fees*	30 000	53 040
	30 000	**53 040**

**Unpaid Directors' fees for the period.*

Related party transactions with impact on the statement of profit or loss

	2022 R	2021 R
Interest received from related parties		
Africa Healthcare Proprietary Limited	1 472 008	3 293 725
Notamed Proprietary Limited	3 800 635	2 078 867
	5 272 643	**5 372 592**
Interest paid to related parties		
RH Bophelo Management Company	66 614	-
	66 614	**-**
Dividend income received from related parties		
RH Financial Services	7 825 528	7 336 107
RH Bophelo Operating Company	16 246 008	-
	24 071 536	**7 336 107**
Other income received from related parties		
Rondebosch Medical Centre*	300 500	294 300
Vryburg Private Hospital	-	12 823
Africa Healthcare	-	51 294
Medicare Private Hospital	-	12 823
Genric Insurance Company Limited	56 100	20 700
RH Bell	12 823	-
RH Bophelo Operating Company**	1 127 170	-
RH Financial Services**	375 723	-
	1 872 316	**391 940**

**Rondebosch Medical Centre is a 100% subsidiary of RHBO where two of the Company's executives serve on the Board and the Company claim the monthly retainer which is what constituted the Directors' fees income.*
***Income relates to fees charged for support services. See note 18.*

Administration fees paid to related parties		
RH Bophelo Management Company Proprietary Limited	4 250 532	6 904 401
	4 250 532	**6 904 401**
Rent paid to related parties		
RH Managers Proprietary Limited*	892 717	534 487
	892 717	**534 487**

**Relates to IFRS 16 rent.*

Donation paid to related parties		
RH Foundation NPC*	1 720 000	2 118 043

**Donation made by RH Bophelo for enterprise development initiatives undertaken by RH Foundation NPC.*

22. COMMITMENTS AND FINANCIAL SUPPORT

The Company provides financial support to investee companies in line with its policy on financial assistance. During the 2022 financial period, the financial support was provided in the form of debt funding.

The Company provided financial assistance to its unconsolidated subsidiaries through equity, loans and guarantees.

- There are no restrictions on the loans.
- In line with the Company and group policy on loans to group companies, section 45 of the Companies Act is applied for each form of financial assistance approved within the group and between group companies.
- Currently the Company has no commitment to provide any of its subsidiaries with financial assistance, nor commitment to assist their subsidiaries in obtaining financial support.
- The Company has no contractual obligation to provide financial support to its subsidiaries for the next 12 months.
- There are no unfulfilled commitments or outstanding guarantees at the reporting date.
- The Company may provide asssistance to investee companies from time to time for the purposes of expansion.

22. LOANS TO SHAREHOLDERS (CONTINUED)

A summary of transactions for financial support are as follows:

2022

Name of subsidiary	Nature of financial support	Purpose for financial support
	Equity R	
RH Financial Services Proprietary Limited	15 900 000	Expansion
RH Bophelo Operating Company Proprietary	6 958 882	Expansion

Note 7

The Company had no outstanding loan commitments to investee companies in the current period and prior period. The financial support is in the form of equity and therefore no restrictions exist.

2021

Name of subsidiary	Nature of financial support	Purpose for financial support
	Equity R	
RH Financial Services Proprietary Limited	52 500 000	Expansion
RH Bophelo Operating Company Proprietary	108 964 343	Expansion

Note 7

23. EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial reporting period on 28 February 2022, a significant event has materialised that the Directors wish to bring to the attention of all stakeholders.

In line with the Company's commitment towards a capital structure that includes equity and debt financing, the Company has secured long-term debt financing to the value of R100 million from Norsad Finance Limited. The funds will be deployed to facilitate further investments in investee companies in line with the Company's investment strategy.

24. CONTINGENT LIABILITIES

There were no contingent liabilities at year end.

25. GOING CONCERN

Ongoing impact of COVID-19 pandemic

As part of its responsibilities, the Board is required to undertake an ongoing assessment of the Company's status as a going concern. Over the past couple of years since the outbreak of the Coronavirus pandemic, the Board has paid particular attention to the management of the pandemic and the resultant impact on the healthcare sector.

In conducting its assessment, the Board has monitored the key ratios used in the going concern assessment – including solvency, profitability and liquidity indicators – and concluded that they remain within the range that the Board deems appropriate to support the going concern assumption. A key factor in this assessment was the fact that the Company's operating units are in the healthcare sector and were classified as essential services throughout the period of the pandemic as regulated by the National State of Disaster management. In addition, the Company has conducted various stress test scenarios based on the key aspects relating to the pandemic including vaccination rates and the likelihood of the emergence of new variants of the Coronavirus. On the basis of this assessment, the Board has concluded that the going concern assumption remains the appropriate basis for financial reporting as at 28 February 2022.

Effects on valuations

As the Company and its subsidiaries in healthcare operate in a sector classified under essential services, the impact of the pandemic on operations remains moderate. Facilities remained open through all levels of lockdowns and utilisation rates remained steady. The increased rates of vaccinations and reduced severity and frequency of lockdowns in the past 12 months has assisted the business return to activity levels similar to pre-pandemic levels. Under these conditions, the Directors are comfortable that the Company will be able to continue as a going concern for the foreseeable future. The Company expects that its underlying businesses will remain classified as essential services and hence the impact on operations will be muted as seen during the hard lockdowns of last year. Beyond the 12-month horizon, the Company regards the low and muted economic growth, together with the possibility of new variants, as the key risk factors that might impact on the business. Such risk factors are continuously monitored by the Board and the Investment Committee and are factored into the long-term forecast and the Company's scenario planning.

Effects on funding and deal pipeline

The Coronavirus impact has had a minimal impact on the Company's deal and funding pipeline. The Investment Committee is continuously exploring investment opportunities in the healthcare and related sectors and believes that it has sufficient access to capital to participate in any transactions that may materialise and meet the stringent criteria set by the Investment Committee and the Board of Directors. In order to support its deal pipeline, the Company has initiated a financing programme with Norsad Limited for the provision of loan financing in line with the Company's target capital structure.

Effects on operations

During the hard lockdowns, the Company had to adapt its operations in order to minimise the disruption on operations. A 'work-from-home' policy was activated that enabled business continuity through all the various lockdown levels. This required the Company to accelerate its investment in technological resources that enabled employees to optimally function from the safety of their homes or shared spaces that were regarded as compliant with healthcare protocols. It is expected that such practices will become more embedded in the Company's way of doing things until the pandemic and its effects taper off which we expect to see in the latter parts of the 2023 calendar year.

Based on the factors mentioned above and the Company's current solvency and liquidity positions, which are reflected by the strong net asset value position of R903 956 544 (2021: R864 076 059) and the net current asset position of R12 141 042 (2021: R39 668 701), together with cash flow forecasts for the forthcoming year, the Directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future, and accordingly the annual financial statements have been prepared on a going concern basis.

26. EARNINGS, DILUTED AND HEADLINE EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per ordinary share is based on earnings of R53 484 180 (2021: R131 217 215) and a weighted average number of shares in issue of 64 691 298 (2021: 60 316 801). The basic earnings per share is 82,7 cents (2021: 217,5 cents).

Diluted earnings per share

The Company has no dilutive instruments and as a result, the calculation of diluted headline earnings per ordinary share is based on diluted headline earnings of R53 484 180 (2021: R131 217 215) and a weighted average number of shares in issue of 64 691 298 (2021:60 316 801). The diluted headline earnings per share are 82,7 cents (2021: 217,5 cents).

Headline earnings per share

The calculation of headline earnings per ordinary share is based on headline earnings of R53 484 180 (2021: R131 217 215) and a weighted average number of shares in issue of 64 691 298 (2021: 60 316 801). The basic and headline earnings per share is 82,7 cents (2021: 217,5).

Diluted headline earnings per share

The Company has no dilutive instruments and as a result, the calculation of diluted headline earnings per ordinary share is based on diluted headline earnings of R53 484 180 (2021: R131 217 215) and a weighted average number of shares in issue of 64 691 298 (2021:60 316 801). The diluted headline earnings per share are 82,7 cents (2021: 217,5 cents).

27. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk; and
- Market risk (interest rate risk and price risk).

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports quarterly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

27.1. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company defines a default as an event where a counterparty's payments are more than 90 days past-due. This is in line with the rebuttable presumption of IFRS 9.

Risks occur when the Company is unable to meet its short-term obligations, largely due to its inability to convert its financial assets into cash and cash equivalents. The Company's strategy is to make long-term investments in unlisted portfolio companies, which are not as readily realisable as quoted investments. The Company might struggle to generate liquidity on short notice and the Board therefore regularly monitors its forecasts, cash flows, commitment levels and available liquidity resources, the latter consisting of loans issued to group companies, income received for Board participation and cash and cash equivalents. The maturity profile of our assets aims to match the liquidity profile with the Company's liquidity requirements to ensure the availability of resources when required.

Liquidity risk is monitored on a quarterly basis by the Company. The nature of the business is such that the majority of operating assets and liabilities are received and settled within one month.

The following table discloses the undiscounted contractual maturity of financial liabilities:

2022	Carrying amount	3 months or less	3 to 12 months	1 to 5 years	Over 5 years
Contractual cash outflows					
Trade and other payables	(629 990)	(629 990)	-	-	-
Lease liabilities	(2 984 187)	-	(900 375)	(2 490 407)	-

2021	Carrying amount	3 months or less	3 to 12 months	1 to 5 years	Over 5 years
Contractual cash outflows					
Trade and other payables	(116 062)	(116 062)	-	-	-
Lease liabilities	(3 639 758)	-	(840 000)	(4 288 284)	-

27.2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, and continuous monitoring of counterparty credit risk profile. In line with the rebuttable presumption of IFRS 9, the Company regards any counterparty payment that is more than 90 days past due as a default.

Credit risk exposure arising on cash and cash equivalents is managed by the Company through dealing with well- established financial institutions with high credit ratings.

The carrying amount of financial assets represents the maximum exposure to credit risk:

	2022 R	2021 R
Cash and cash equivalents	7 763 716	34 699 084
Cash and cash equivalents:		
First National Bank	7 763 716	34 699 084
The credit rating at year end for First National Bank is as follows:		
Standard and Poor	BB-	BB
Moody's	Ba2	Ba1

27.3. Market risk

Market risk is the risk that changes in the market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

In the current year, the Company had exposure to interest rate and price risk but no exposure to currency risk.

The exposure to interest rate risk is from keeping its cash balances in an interest-bearing account. During the current year, interest income of R0.6 million (prior year: R1.6 million) was generated on an average cash balance of R21.2 million (prior year: R77 million), reflecting an average interest rate of 2.83% (prior year: 5%). Had interest rates been 50 basis points higher or lower, the impact on the reported interest income would have been as follows:

2022

Cash and cash equivalents	**Projected interest income (-50bps)**	**Actual interest income**	**Projected interest income (+50bps)**
Interest income	536 360	554 035	705 960

2021

Cash and cash equivalents	**Projected interest income (-50bps)**	**Actual interest income**	**Projected interest income (+50bps)**
Interest income	1 557 475	1 648 122	1 738 769

Price risk includes fair value estimation on financial asset at fair value through profit or loss and loans to group companies.

Refer to note 6 and 7 disclosure on the market risks sensitivities of financial asset at fair value through profit or loss, and loans to group companies:

- WACC
- EBITDA
- TGR
- Capitalisation rates
- Market interest rates

28. SEGMENTAL INFORMATION

The Company's Chief Operating Decision Maker (CODM) – the Executive Committee – makes strategic resource allocations on belhalf of the Company. The Company has identified operating segments based on the internal reports that are reviewed by the Executive Committee and are used to inform decision-making. The Executive Committee regards the business as consisting of two segments – the healthcare segment and the financial services segment. The geography of the two segments is South Africa. The two segments are measured on the basis of the investment income and capital appreciation. The investment income comprises gains or losses in the fair value of the underlying investments in indirecttly held associates and subsidiaries, plus any interest and dividend income.

The segment information provided to the CODM for the year ended 28 February 2022 is as follows:

2022 segment information

Reconciliation	Healthcare segment R	Financial services segment R	Total R
Gains from financial assets at fair value through profit or loss	53 131 584	5 333 111	58 464 695
Interest income	5 272 643	-	5 272 643
Dividend income	16 246 008	7 825 528	24 071 536
Segment investment income	74 650 235	13 158 639	87 808 874
Segment other income	1 440 493	431 823	1 872 316
Segment income	76 090 728	13 590 462	89 681 190
Segment expenses	(330 000)	-	(330 000)
Total segment net income	**75 760 728**	**13 590 462**	**89 351 190**

Segment assets	Healthcare segment R	Financial services segment R	Total R
Financial assets at fair value through profit and loss	835 668 103	86 331 369	921 999 472
Loans to group companies	42 980 319	-	42 980 319
Total segment assets	**878 648 422**	**86 331 369**	**964 979 791**

2021 segment information

Reconciliation	Healthcare segment R	Financial services segment R	Total R
Gains from financial assets at fair value through profit or loss	172 170 904	2 307 021	174 477 925
Interest income	5 372 592	-	5 372 592
Dividend income	-	7 336 107	7 336 107
Segment investment income	177 543 496	9 643 128	187 186 624
Segment other income	371 240	20 700	391 940
Segment income	177 914 736	9 663 828	187 578 564
Segment expenses	(371 572)	-	(371 572)
Total segment net income	**177 543 164**	**9 663 828**	**187 206 992**

Segment assets	Healthcare segment R	Financial services segment R	Total R
Financial assets at fair value through profit and loss	775 466 243	65 098 257	840 564 500
Loans to group companies	43 819 072	-	43 819 072
Total segment assets	**819 285 315**	**65 098 257**	**884 383 572**

Segment investment income is reconciled to total income before tax as follows:

	2022 R	2021 R
Segment investment income	87 808 873	187 186 624
Non-segment investment income		
Interest income	554 035	1 648 122
Total investment income	88 362 908	188 834 746
Segment other income	1 872 316	391 940
Non-segment other income	-	38 471
Total income	**90 235 224**	**189 265 157**
Segment expense	(330 000)	(371 572)
Non-segment expenses	(25 472 742)	(22 375 785)
Total Expenses	(25 802 742)	(22 747 357)
Total income before tax	**64 432 483**	**166 517 800**

Total reportable segment assets are reconciled to total assets as follows:

Segment assets for reportable segments	964 979 791	884 383 572
Other financial assets at fair value through profit or loss	-	2 214 445
Other non-current assets	3 159 617	4 041 260
Other current assets	**8 228 168**	**35 041 154**
Total assets	**976 367 576**	**925 680 430**
Total liabilities	**72 411 032**	**61 604 373**

29. CASH GENERATED FROM/(USED IN) OPERATIONS

Total income before taxation	64 432 483	166 517 801
Adjustments for:		
Depreciation	881 646	366 954
Gains on financial assets at fair value through profit or loss	(58 464 694)	(174 477 925)
Loss on disposal of financial assets	84 262	-
Lease liability interest	237 147	109 126
Interest unpaid on loans to group companies	(3 800 635)	(2 893 723)
Write off of non-financial assets	-	111 978
Changes in working capital:		
Other receivables	(122 384)	802 521
Trade and other payables	513 927	(1 466 011)
	3 761 752	**(10 929 279)**

Major shareholders

Those shareholders who, insofar as is known to the Company, directly or indirectly, beneficially hold significant shareholding of 2% or more of the issued share capital of the Company are set out below:

2022

Shareholder	Number of 'A' ordinary shares held	% of 'A' ordinary shares held*
Public Investment Corporation SOC Limited	43 371 265	67%
Perthpack Properties Limited	7 994 924	12%
Sentio Capital Management Proprietary Limited	1 971 604	3%
Dr Mandisa Joyce Gwendoline	1 816 470	3%
Mr Quinton Zunga	1 516 350	2%
RSOV Invest Proprietary Limited	1 193 800	2%
	57 864 413	**89%**

2021

Shareholder	Number of 'A' ordinary shares held	% of 'A' ordinary shares held*
Public Investment Corporation SOC Limited	43 394 382	67%
Perthpack Properties Limited	7 994 924	12%
Dr Mandisa Joyce Gwendoline	1 816 470	3%
Sentio Capital Management Proprietary Limited	3 121 803	5%
	56 327 579	**87%**

**Rounded to zero decimal places*

SUPPLEMENTARY INFORMATION

Shareholding spread

Shareholder analysis per JSE Listings Requirements 3.43 of public and non-public shareholders:

2022

Shareholder	Number of shareholders	Number of 'A' ordinary shares held	% holding
Public shareholders	644	18 511 911	29.00 %
Non-public shareholders	8	46 179 387	71.00 %
Total	**652**	**64 691 298**	**100.00 %**

2021

Shareholder	Number of shareholders	Number of 'A' ordinary shares held	% holding
Public shareholders	344	13 101 992	20.00 %
Non-public shareholders	9	51 589 306	80.00 %
Total	**353**	**64 691 298**	**100.00 %**

2022

Director's interest or shareholding	Direct	Indirect	Total	Percentage held
Director				
Quinton Zunga	1 516 350	-	1 516 350	2.3%
Dion Mhlaba	33 302	-	33 302	0.1%
Vuyokazi Nomvalo	4 000	-	4 000	0%
John Oliphant	12 200	1 039 270	1 051 470	1.6%
David Sekete	-	200 000	200 000	0.3%
Kgaogelo Ntshwana	3 000	-	3 000	0%
	1 568 852	**1 239 270**	**2 808 122**	**4.3%**

There were no changes in the Director's direct and indirect interest since 28 February 2022.

2021

Director's interest or shareholding	Direct	Indirect	Total	Percentage held
Director				
Quinton Zunga	1 600	1 500 000	1 501 600	2.3%
Dion Mhlaba	17 437	-	17 437	0%
Vuyokazi Nomvalo	4 000	-	4 000	0%
Colin Clarke	-	3 584	3 584	0%
John Oliphant	12 200	1 039 270	1 051 470	1.6%
David Sekete	-	200 000	200 000	0.3%
Refilwe Nkadimeng	3 000	-	3 000	0%
	38 237	**2 742 854**	**2 781 091**	**4.3%**

The supplementary information presented does not form part of the audited annual financial statements and is unaudited.

07

SHAREHOLDERS' INFORMATION

DEFINING INVESTMENT **EXCELLENCE**

SHAREHOLDERS' INFORMATION

INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA (REGISTRATION NUMBER: 2016/533398/06) JSE & RSE SHARE CODE: RHB ISIN: ZAE000244737 ("RHB" OR "THE COMPANY")

Notice is hereby given that the Annual General Meeting of Shareholders of RH Bophelo will be held entirely via a remote interactive platform 'Microsoft Teams' on Friday, 12 August 2022 at 10h00 (the AGM), to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice. RH Bophelo will be assisted by Computershare Investor Services Proprietary Limited (the Company's Transfer Secretaries) who will also act as scrutineers.

SALIENT DATES

The following dates apply to the Annual General Meeting:

The Record Date for purposes of determining which shareholders are entitled to receive this notice is Friday, 24 June 2022.

The Last Day to Trade in order to be eligible to participate and vote at the Annual General Meeting is Tuesday, 2 August 2022.

The Record Date for shareholders to be recorded in the securities register of RH Bophelo in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 5 August 2022.

Last date for lodging Proxy Forms for administrative purposes is Wednesday, 10 August 2022 at 10h00.

If you are a registered shareholder as at the record date, you are entitled to attend the Virtual AGM and vote at the AGM. Alternatively, you may appoint a proxy to attend, participate and vote at the AGM on your behalf. Any appointment of a proxy:

- May be affected using the attached Form of Proxy, and
- Must be delivered in accordance with the instructions contained in the attached Form of Proxy, failing which it will not be effective.

Shareholders or their duly authorised proxies who wish to participate in the Annual General Meeting must register to do so by lodging a completed Electronic Participation Application Form by Wednesday, 10 August 2022 at 09h55.

A proxy need not be a shareholder of the Company.

If you are a beneficial shareholder and not a registered shareholder as at the record date and wish to attend the AGM, you must obtain the necessary letter of authority to represent the registered shareholder of your shares from your Central Securities Depository Participant (CSDP) or broker.

NOTICE OF ANNUAL GENERAL MEETING

PURPOSE

The purpose of the AGM is to transact business set out in the agenda below.

AGENDA

Presentation of the Company's audited Annual Financial Statements, including the report of the Directors, the Audit and Risk Committee report and the Auditor's report for the financial year ended on Monday, 28 February 2022.

Note: For any of the ordinary resolutions numbers 1 to 19 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof, with the exception of ordinary resolution number 12, 13, 15 and 17 that require 75% of voting rights to be exercised in favour thereof. For special resolution numbers 1 to 4, at least 75% of voting rights must be exercised in favour thereof.

ORDINARY RESOLUTIONS

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Ordinary resolution number 1

RESOLVED that the audited Annual Financial Statements, including the Report of the Board of Directors, the Independent Auditor's report and the Audit and Risk Committee report of the Company for the financial year ended 28 February 2022, be accepted, and approved.

Retirement, re-election, and election of Directors
To vote on the re-election, by way of separate resolutions, of the following Directors, each of whom retires in terms of the provisions of the Memorandum of Incorporation (MOI) of the Company and, each being eligible, offer themselves for re-election:

Bojane Segooa
Dr Kgaogelo Ntshwana
Lyndsay Maseko

These Directors are retiring due to the one-third requirement in the MOI. Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect these retiring Directors as members of the Board of the Company, by way of passing the separate ordinary resolutions set out below. Brief CVs in respect of each Director offering themselves for re-election as Directors of the Company appear on pages 60 to 61 of this Integrated Annual Report.

The following Directors have elected not to put themselves for re-election and thus confirm their resignation as directors effective as at the date of the AGM, 12 August 2022.

Dinao Lerutla; and
Dr Solomon Motuba

Ordinary resolution number 2

To vote on the re-election of Bojane Segooa as an Independent Non-Executive Director of the Company.

RESOLVED that Bojane Segooa, who retires by rotation in terms of the MOI of the Company and the Listings Requirements of the JSE, being eligible, offers herself for re-election, be and is hereby re-elected as a Non-Independent Non-Executive Director with effect from 12 August 2022.

Ordinary resolution number 3

To vote on the re-election of Dr Kgaogelo Ntshwana as an Independent Non-Executive Director of the Company.

RESOLVED that Dr Kgaogelo Ntshwana who retires by rotation in terms of the MOI of the Company and the Listings Requirements of the JSE, being eligible, offers himself for re-election, be and is hereby re-elected as an Independent Non-Executive Director with effect from 12 August 2022.

Ordinary resolution number 4

Confirmation of appointment of Lyndsay Maseko as an Independent Non-Executive Director of the Company.

RESOLVED that Lyndsay Maseko who retires by rotation in terms of the MOI of the Company and the Listings Requirements of the JSE, being eligible, offers herself for re-election, be and is hereby re-elected as an Independent Non-Executive Director with effect from 12 August 2022.

Ordinary resolution number 5

Confirmation of appointment of Samson Moraba as an Independent Non-Executive Director of the Company.

RESOLVED that Samson Moraba be hereby appointed as an Independent Non-Executive Director with effect from 12 August 2022.

APPOINTMENT AND RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

Note: For the sake of clarity and to avoid any doubt, all references to the Audit and Risk Committee of the Company are a reference to the Audit Committee as contemplated in the Companies Act.

The Board has determined that each of the members standing for election/re-election are independent and that they possess the required qualifications, skills, and experience as contemplated in Regulation 42 of the Companies Act and collectively, they have sufficient qualifications and experience to fulfill their duties as contemplated in section 94(7) of the Companies Act. The following Independent Non-Executive Directors, each being eligible, offer themselves for election/re-election:

Bojane Segooa
Dr. Kgaogelo Ntshwana
Lyndsay Maseko
Samson Moraba

The resolutions pertaining to the election/re-election of the members of the Audit and Risk Committee are to be voted on individually. Brief CVs in respect of each of the Director offering themselves for election/re-election as members of the Audit and Risk Committee appears on page 64 of this Integrated Annual Report.

Ordinary resolution number 6

To vote on the re-election of Bojane Segooa, as a member of the Audit and Risk Committee (Subject to the passing of Ordinary Resolution Number 2).

RESOLVED that Bojane Segooa, being eligible, be and is hereby re-elected as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the conclusion of the next AGM of the Company.

Ordinary resolution number 7

To vote on the re-election of Dr Kgaogelo Ntshwana, as a member the Audit and Risk Committee (Subject to the passing of Ordinary Resolution Number 3).

RESOLVED that Dr Kgaogelo Ntshwana, being eligible, be and is elected as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the conclusion of the next AGM of the Company.

Ordinary resolution number 8

To vote on the election of Lyndsay Maseko, as a member of the Audit and Risk Committee (Subject to the passing of Ordinary Resolution Number 4).

RESOLVED that Lyndsay Maseko, being eligible, be and is hereby elected as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the conclusion of the next AGM of the Company.

Ordinary resolution number 9

To vote on the election of Lyndsay Maseko, as Chairperson of the Audit and Risk Committee (Subject to the passing of Ordinary Resolution Number 4).

RESOLVED that Lyndsay Maseko, being eligible, be and is elected as chairman of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the conclusion of the next AGM of the Company.

Ordinary resolution number 10

To vote on the election of Samson Moraba as a member of the Audit and Risk Committee (Subject to the passing of Ordinary Resolution Number 5).

RESOLVED that Samson Moraba is hereby elected as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the conclusion of the next AGM of the Company.

RE-APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR

Ordinary resolution number 11

RESOLVED that Mazars South Africa is hereby re-appointed as the Company's external auditors, upon the recommendation of the Board and Audit and Risk Committee, with Rochelle Murugan as the designated audit partner for Mazars, to hold office until the conclusion of the next AGM of the Company.

The reason for ordinary resolution number 11 is that the Company, being a public listed company, must have its financial results audited, and such auditor must be appointed or re-appointed each year at the AGM of the Company as required by the Companies Act.

NON-BINDING ADVISORY ENDORSEMENT OF THE REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

Ordinary resolution number 12

RESOLVED that the shareholders endorse, by way of a non-binding advisory vote, on the Company's Remuneration Policy as set out in the Remuneration Report contained on pages 70 to 76 of this Integrated Report.

Ordinary resolution number 13

RESOLVED that the shareholders endorse, by way of a non-binding advisory vote, the Company's Remuneration Implementation Report contained on pages 70 to 76 of this Integrated Report.

The reason for ordinary resolutions number 12 and 13 is that King IV recommends that the Remuneration Policy and Remuneration Implementation Report of the Company be endorsed through a separate non-binding advisory vote by shareholders. The non-binding votes enable shareholders to express their views on the Company's Remuneration Policy and on the implementation thereof. The detailed Remuneration Policy and Report, for which approval is sought, are contained on pages 70 to 76 of this Integrated Annual Report.

Shareholders are reminded that in terms of King IV, the passing of these ordinary resolutions is by way of a non-binding vote. Should 25% or more of the voting rights exercised by shareholders in the non-binding advisory votes be against these ordinary resolutions, the Company undertakes to engage with shareholders as to the reasons, therefore.

UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS IN TERMS OF THE COMPANY'S GENERAL AUTHORITY TO ISSUE SHARES

Ordinary resolution number 14

RESOLVED that all the authorised but unissued "A" Ordinary Shares in the capital of the Company be and are hereby placed under the control and authority of the Directors of the Company, which Directors are hereby authorised to allot and issue "A" Ordinary Shares in the capital of the Company to such person or persons, upon such terms and conditions and at such times as the Directors of the Company may from time to time and in their sole discretion deem fit, until the next AGM, provided that:

a) Such allotment, issue or disposal shall not in aggregate be in excess of ten percent (10%) of the Company's current issued share capital, representing 6 469 942 "A" Ordinary Shares in terms of the Company's general authority to issue shares for cash; and

Subject to the provisions of the Companies Act, the MOI of the Company and the JSE Listings Requirements.

The reason for ordinary resolution number 14 is that in terms of the Company's MOI, Companies Act and the JSE Listings Requirements, the authority given to place the unissued "A" Ordinary Shares under the control of the Directors needs to be renewed at the Company's AGM.

GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

Ordinary resolution number 15

RESOLVED that the Directors of the Company be and are hereby authorised, by way of a general authority to allot or issue all or any of the authorised but unissued "A" Ordinary Shares in the capital of the Company for cash, as they, in their discretion, may deem fit, as and when suitable opportunities arise, subject to the provisions of the Company's MOI, the Companies Act and the JSE Listings Requirements.

The allotment and issue of "A" Ordinary Shares for cash shall be subject to the following limitations:

a) That the securities which are the subject of this general authority be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
b) The general authority shall be valid until the Company's next AGM, or for 15 months from the date on which the general authority for such ordinary resolution was passed, whichever date is earlier;
c) Issues in terms of this authority in any one financial year shall not exceed 6 469 942 "A" Ordinary Shares, which is not greater than ten percent (10%) in aggregate of the number of "A" Ordinary Shares (excluding treasury shares) in the Company's issued share capital in issue at the date of this notice of the AGM. The ten percent (10%) shall also take into account (and shall include, if applicable) any securities to be issued pursuant to a rights issue that has been announced, which is irrevocable and fully underwritten, or securities issued in terms of an acquisition that has had the final terms announced;
d) After the Company has issued equity securities, in terms of the approved general issue for cash representing, on a cumulative basis within the financial year, five percent (5%) or more of the number of equity securities in issue prior to that issue, the Company shall publish an announcement giving full details of the issue, including:

    i. The number of securities issued;
    ii. The average discount to the weighted average trading price of the securities over the 30 days prior to the date that the issue was determined and agreed by the Directors of the Company; and
    iii. Impact on Net Asset Value and on Earnings and Headline Earnings per share shall be published at the time of any issue representing, on a cumulative basis within a financial year, five percent (5%) or more of the number of "A" Ordinary Shares in issue, prior to such issue.
e) In determining the price at which "A" Ordinary Shares will be issued in terms of this authority, the maximum discount permitted shall be ten percent (10%) of the weighted average traded price of such "A" Ordinary Shares, as determined over the 30-day business period prior to the date that the price of the issue is determined or agreed by the Directors of the Company. If no "A" Ordinary Shares have been traded in the said 30-day business period, a ruling will be obtained from the JSE; and
f) Any such issue will be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS IN TERMS OF THE ISSUE OF SHARES ON THE RWANDA STOCK EXCHANGE

Ordinary resolution number 16

RESOLVED that 12 500 000 authorised but unissued "A" Ordinary Shares be and are hereby placed under the control of the Directors for the specific purpose of issuing new A Ordinary Share on the Rwanda Stock Exchange, following the Company's secondary listing on this exchange, as announced on SENS on 26 May 2020, subject to the Companies Act, the MOI and the provisions of the JSE Listings Requirements, be and is hereby approved.

The reason for ordinary resolution number 16 is to allow Directors to issue new "A" Ordinary Shares in terms of the Company's capital raise on the Rwanda Stock Exchange as they currently do not have authority to do as such. The effect is that the Company will be able to issue "A" Ordinary Shares in terms of this transaction.

RWANDA STOCK EXCHANGE ISSUE OF SHARES FOR CASH

Ordinary resolution number 17

RESOLVED that the Directors of the Company be and are hereby authorised to allot or issue all or any of the authorised but unissued "A" Ordinary Shares in the capital of the Company for cash in terms of raising capital on the Rwanda Stock Exchange, subject to the provisions of the Company's MOI, the Companies Act and the JSE Listings Requirements. The allotment and issue of "A" Ordinary Shares for cash shall be subject to the following limitations:

a) That the securities which are the subject of this issue be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
b) The issue will be only for the issue of shares on the Rwanda Stock Exchange in terms of the proposed capital raise;
c) The issues will not exceed 12 500 000 "A" Ordinary Shares, which is not greater than nineteen percent (19%) in aggregate of the number of "A" Ordinary Shares (excluding treasury shares) in the Company's issued share capital in issue at the date of this notice of the AGM. The nineteen percent (19%) shall also take into account (and shall include, if applicable) any securities to be issued pursuant to a rights issue that has been announced, which is irrevocable and fully underwritten, or securities issued in terms of an acquisition that has had the final terms announced;
d) After the Company has issued equity securities, in terms of the approved issue for cash representing, on a cumulative basis within the financial year, five percent (5%) or more of the number of equity securities in issue prior to that issue, the Company shall publish an announcement giving full details of the issue, including:
    i. The average discount to the weighted average trading price of the securities over the 30 days prior to the date that the issue was determined and agreed by the Directors of the Company; and
    ii. Impact on NAV, Net Tangible Asset Value (NTAV) and on Earnings and Headline Earnings per share shall be published at the time of any issue representing, on a cumulative basis within a financial year, five percent (5%) or more of the number of "A" Ordinary Shares in issue, prior to such issue.

e) In determining the price at which "A" Ordinary Shares will be issued in terms of this authority, the maximum discount permitted shall be ten percent (10%) of the weighted average traded price of such "A" Ordinary Shares, as determined over the 30-day business period prior to the date that the price of the issue is determined or agreed by the Directors of the Company. If no "A" Ordinary Shares have been traded in the said 30-day business period, a ruling will be obtained from the JSE; and
f) Any such issue will be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties.
g) This general authority shall be valid until the Company's next AGM, or for 15 months from the date on which the general authority for such ordinary resolution was passed, whichever date is earlier.

For ordinary resolution number 17 to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

AMENDMENT TO VARIOUS CLAUSES OF THE MANAGEMENT AGREEMENT, WHICH IS A RELATED PARTY AGREEMENT IN TERMS OF THE JSE LISTINGS REQUIREMENTS

Ordinary resolution number 18

RESOLVED, subject to the approval of Special resolution number 4, that the Management Agreement between the Company, RH Bophelo Operating Company Proprietary Limited ("Opco") and RH Bophelo Management Company Proprietary Limited ("Manco") be and is hereby amended to align with the current nature of RHB's business as an Investment Holding Company and the treatment of the B Ordinary Share Dividend to facilitate paying the management fee either in cash or through the issue of RH Bophelo shares or a combination thereof at the election of RH Bophelo, subject to the JSE Listings Requirements and which amended Management Agreement becomes effective from the date of signature and approval of this ordinary resolution, other than the Manco, related party and its associates, being cast in favour of the resolution.

The related party and its associates will be taken into account in determining a quorum at the annual general meeting, but that their votes will not be taken into account in determining the results of the voting at such meeting in relation to any resolution in connection with the related party transaction.

The following clause is to be included in the Management Agreement:

"11.4 It is understood by the Parties that in terms of the rights attaching to the B Share a B Share dividend may be declared by HoldCo in favour of Manco. Manco agrees and acknowledges that any declaration of a B-share Dividend to Manco in accordance with Annexure A of the HoldCo MOI shall be subject to the provisions of the Companies Act."

The reason for and effect of this ordinary resolution number 19 is to approve the amendment to be effected to the Management Agreement to bring it in line with the amended Memorandum of Incorporation. This resolution and the Special resolution number 4 relating to the amendments to the MOI are inter-conditional.

Additional information required by section 10 of the JSE Listings Requirements:

1. Background

Manco is a related party to RH Bophelo as certain of the RH Bophelo directors are shareholders and directors of Manco. There is a management agreement in place between RH Bophelo and Manco, which agreement is available for inspection. There is only 1 B share issued to the management company, being Manco. The B share is unlisted and serves as an instrument for payment of fees to the management company. The amendments to the management agreement are subject to shareholder approval. The Management Agreement is a related party agreement in terms of the Listings Requirements, as such, any amendments to be made to it require the preparation of a circular and a fairness opinion as well as shareholder approval. The Company has incorporated this resolution in this Notice of annual general meeting because it is an efficient and effective way to save costs, especially costs occasioned by the preparation of a separate circular.

One of the amendments to be made to the MOI and consequently the Management Agreement relates to the possible issue of shares as an alternative to a cash payment of the B share dividend to B shareholders, which will result in future dilution to shareholders. This mechanism or arrangement is regarded as the specific issue of shares to a related party in terms of section 5.51 and Section 10 of the JSE Listings Requirements, and requires the provision of a fairness opinion by an independent professional expert if applicable, as well as shareholder approval at the time of such election by the Board of RH Bophelo.

In this regard, the Company has requested and obtained dispensation from the JSE not to obtain a fairness opinion for the amendment of the Management Agreement as well as the MOI for the following reasons:

- certain of the amendments to the Management Agreement arise as a result of compliance with the regulatory framework applicable to investment entities and thus do not require a determination on fairness;
- the MOI and consequently the Management Agreement are being amended to cater for the issuing of shares, the Company is not yet issuing shares, as such no pricing is determined. These parameters will only be known in future whenever the board decides or resolve to settle the dividend in the form of shares;
- when the shares are issued, in future, the Company will obtain the specific shareholder approval.
- the Company will also obtain the fairness opinion if the price at which shares are issued is at a discount to the 30 day VWAP; and
- shareholder approval will be sought for the amendment of the MOI and the Management Agreement to incorporate the proposed mechanism to issue shares.

Related party	Direct and indirect control of shares in RH Bophelo, as at 30 June 2022	Directorship	Direct and indirect control of Manco
Quinton Zunga	1 516 350	Directorship in RH Bophelo and Manco	69% of Manco
John Oliphant	1 051 470	Directorship in both RH Bophelo and Manco	30% in Manco
Fulu Makwetla	-	Fulu Makwetla director in Manco and serve in the Investment Committee of RH Bophelo	-
Colin Clarke	11 254	Directorship in both RH Bophelo and Manco	1%
Vuyokazi Nomvalo	4 000	-	-
Dion Mhlaba	33 302	Directorship in both RH Bophelo and Manco	-
Total shares not allowed to vote	2 616 376		
Total shares in % not allowed to vote	4.04%		

Directors' interests of RH Bophelo are disclosed on page 137 of the integrated annual report.

There are no material beneficial interests, whether direct or indirect, of directors of the RH Bophelo group, including a director who has resigned during the last 18 months, in transactions that were effected by the RH Bophelo group (a) during the current or immediately preceding financial year; or (b) during an earlier financial year and remain in any respect outstanding or unperformed, save for the directors interests mentioned in the table above in relation to the proposed amendments to the management agreement.

2. Board's recommendation:

The Board, excluding the conflicted directors, is of the opinion that the proposed amendments are in the best interest of Shareholders and, accordingly, recommend that Shareholders vote in favour of this resolution to be proposed at the Annual General Meeting.
The Directors, excluding the conflicted directors. in their personal capacities, intend to vote the Shares beneficially owned by them in favour of the resolutions to be proposed at the Annual General Meeting.

3. General information

Name, address and incorporation	Appear in page 87 of the annual financial statements. The Company was incorporated on 13 December 2016
Major shareholders	Appear in page 136 of the annual financial statements

4. Expenses relating to the changes of MOI and Management Agreement are as follows, excluding VAT:

JSE MOI amendments, Related party transaction and Ruling Inspection fee	R54 464
Deloitte & Touche Sponsor Services (Pty) Ltd	R50 000
MBA Incorporated	R45 000

5. Directors' Responsibility Statement

The Directors, whose names are listed in the directorate section of the annual financial statements, collectively and individually accept full responsibility for the accuracy of the information given in this notice of annual general meeting 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 this notice of AGM contains all information required by the JSE Listings Requirements.

6. Advisors' Consents

Each of the advisors, Deloitte & Touche Sponsor Services (Pty) Ltd (Sponsor) and MBA Incorporated (Legal Advisor), have consented in writing to act in the capacities stated and to the inclusion of its names in this notice of AGM in the form and context in which they appear and has not withdrawn its consent prior to the publication of this notice of AGM.

7. Litigation Statement

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which RH Bophelo is aware, which may have or have over the previous 12-months had a material effect on the financial position of the RH Bophelo.

8. Material Changes

There have been no material changes in the financial or trading position of the RH Bophelo since the end of its last financial period on 28 February 2022.

9. Material Contracts

There have been no material contracts entered into either verbally or in writing by RH Bophelo or its Subsidiaries, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by RH Bophelo and/or its Subsidiaries, within the two years preceding the date of this notice of AGM, or concluded at any time, and which contain an obligation or settlement that is material to RH Bophelo and/or its Subsidiaries at the date of this notice of AGM.

10. Advisors' Consents

Each of the advisors, being Deloitte & Touche and MBA Incorporated, has consented in writing to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this notice of AGM in the form and context in which they appear and has not withdrawn its consent prior to the publication of this notice.

11. Documents Available for Inspection

The following documents, or copies thereof, will be available for inspection by shareholders during normal business hours at the registered office of RH Bophelo from the date of publication of this notice of AGM until the date of the Annual General Meeting (both days inclusive):

- the MOI of RH Bophelo and its major subsidiaries;
- the audited historical financial information of RH Bophelo for its last 3 financial years ended 28 February 2022, 2021 and 2020;
- the Management Agreement;
- copies of service agreements with Directors, managers and secretary/ies;
- the written consents from each of the advisors referred to above; and
- a copy of this notice of AGM.

SPECIAL RESOLUTIONS

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolution number 1

RESOLVED that the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors on the basis set out below, provided that this authority will be valid until the next AGM of the Company.

	Fee per meeting attendance (R) (excluding VAT)
Board meetings	12 000
Board Chairperson	25 000
Investment Committee meetings (including Chairperson)	12 000
Audit and Risk Committee meetings	12 000
Audit and Risk Committee Chairperson	20 000
Social and Ethics Committee meetings	12 000
Social and Ethics Committee Chairperson	15 000
Remuneration and Nominations Committee meetings	12 000
Remuneration and Nominations Committee Chairperson	15 000
	Retainer (R) (excluding VAT)
Payable monthly to Board/Committee Member	12 000

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders, by way of a special resolution, for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of section 66 (8) and (9) of the Companies Act and paragraph 31 of the MOI of the Company.

The effect of special resolution number 1 is that the Company will be able to pay its Non-Executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next AGM of the Company.

FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 AND 45 OF THE ACT

Special resolution number 2

RESOLVED to authorise the Directors, in terms of and subject to the provisions of section 45(3)(a)(ii) of the Companies Act, as a general approval, to cause the Company to provide a direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to or to the benefit of:

a) A Director or prescribed officer of the Company or of a related or inter-related company ('related' or interrelated' will herein have the meaning attributed to it in section 2 of the Companies Act);
b) To a related or inter-related Company or corporation;
c) To a member of a related or inter-related corporation or to a person related to such company, corporation, Director, prescribed officer, or member, on such terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company.

The reason for and effect of special resolution number 2 is to grant the Directors of the Company the authority, until the next AGM, to cause the Company to provide direct or indirect financial assistance to any person, company or corporation that is related or interrelated to the Company. This means that the Company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

Special resolution number 3

RESOLVED to authorise the Directors in terms of and subject to section 44(3)(a)(ii) of the Companies Act, as a general approval, to cause the Company to provide financial assistance ('financial assistance' will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to:

To any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or;

a) For the purchase of any securities of the Company or a related or interrelated Company ('related' or 'interrelated' will herein have the meaning attributed to it in section 2 of the Companies Act), on such terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company.
b) The reason for and effect of special resolution number 3 is to grant the Directors of the Company the authority to cause the Company to provide financial assistance for the subscription of securities in the Company or related or inter-related company. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. For example, the Company may rely on this authority if a subsidiary raises funds by way of issuing preference shares and the third- party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining the same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of Sections 44 and 45 of the Companies Act, the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 2 and 3 above:

- The assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- The Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- The terms under which any financial assistance is proposed to be provided will be fair and reasonable to the Company; and
- All relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.

AMENDMENT TO VARIOUS CLAUSES OF THE COMPANY'S MEMORANDUM OF INCORPORATION

Special resolution number 4

RESOLVED that in terms of section 16 of the Companies Act, the Existing MOI of the Company be and is hereby amended to align with the current nature of RHB's business as an Investment Holding Company and the treatment of the B Ordinary Share Dividend, and which amended MOI becomes effective from the date of filing hereof with the CIPC.

The reason for and effect of special resolution number 4 is to amend the current MOI to be line with the Company's nature of business. This resolution and the Ordinary resolution number 18 relating to the amendments to the Management Agreement are inter-conditional.

The Board, excluding the conflicted directors, is of the opinion that the proposed amendments are in the best interest of Shareholders and, accordingly, recommend that Shareholders vote in favour of this resolution to be proposed at the Annual General Meeting.

The Directors, excluding the conflicted directors. in their personal capacities, intend to vote the Shares beneficially owned by them in favour of the resolutions to be proposed at the Annual General Meeting.

The amended MOI may be accessed on https://www.rhbophelo.co.za/investment/for-our-investors/

Directors responsibility statements

The Directors, whose names are listed in the directorate section of the annual financial statements, collectively and individually accept full responsibility for the accuracy of the information given in this notice of annual general meeting 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 this notice of AGM contains all information required by the JSE Listings Requirements.

Share capital appears on page 98 of the integrated annual report.

A separate approval will be sought from the B-Shareholders in terms of section 60 of the Companies Act.

The clauses to be amended as well as the rationale for their amendment are set out in the table below:

Clauses	Pre-Amendment Wording	Amendment	Rationale
Cover Page	being a public company, which is classified as a special purpose acquisition vehicle	‘being a public company, classified as an Investment Entity in accordance with the Johannesburg Stock Exchange Listings Requirements’	RHB is no longer a Special Purpose Acquisition Vehicle (“SPAC”). Reference to RHB as an Investment Entity is now applicable
1.1.1.1	the initial “Accounting Period” of the Company shall be the period commencing on the Commencement Date and ending on the first day of the financial year of the Company after the Commencement Date	the initial “Accounting Period” of the Company shall for the purposes of the formulae set out in clause 2.2.6 of Annexure A to this MOI be the period commencing on the Commencement Date and ending on the first day of the new financial year which will immediately succeed the initial Accounting Period as defined	Clarification by inserting the text in red was required as there was an issue pertaining to whether the accounting period of 12 July 2017 to end February 2018 should be regarded as an Accounting Period
1.1.1.2	the last “Accounting Period” of the Company shall be the period commencing on the most recent financial year of the Company and ending on the termination date of the Management Agreement;	the last “Accounting Period” of the Company shall for the purposes of the formulae set out in clause 2.2.6 of Annexure A to this MOI be the period commencing on the most recent financial year of the Company and ending on the termination date of the Management Agreement;	Clarification by inserting the text in red was required as there was an issue pertaining to whether the accounting period of 12 July 2017 to end February 2018 should be regarded as an Accounting Period
1.1.8.	“Completed” shall bear the meaning ascribed thereto in section 4.33 of the JSE Listings Requirements;		
1.1.13.	“Initial Period” shall bear the meaning ascribed thereto in section 4.35(a) of the JSE Listings Requirements;		
1.1.27	“SPAC” means a special purpose acquisition company, being a special purpose vehicle established for the purpose of facilitating the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on the Main Board;		

Clauses	Pre-Amendment Wording	Amendment	Rationale
1.1.30	"Viable Assets" shall bear the meaning ascribed thereto in section 4.33 of the JSE Listings Requirements.		
2.1 and 2.2	2.1. The Company is incorporated as a public company, as defined in the Act, and has juristic personality from the date and time that the incorporation of the Company is registered, as stated in its registration certificate and as contemplated in section 19(1). 2.2. The Company is incorporated in accordance with and/or is governed by –	2.1. The Company is an Investment Entity as contemplated in section 15 of the Listings Requirements. It is incorporated as a public company, as defined in the Act, and has had juristic personality from the date and time that the Company was incorporated, as stated in its registration certificate and as contemplated in section 19(1) of the Act. 2.2. For the avoidance of doubt, the Company is incorporated in accordance with and/or is governed by –	Alignment to RHB now being an Investment Entity
21	21. VIABLE ASSETS Any proposed acquisition of Viable Assets must be approved by the Shareholders by way of an ordinary resolution in accordance with the relevant provisions of section 4.38 of Schedule 10 to the Listings Requirements. [LR Sec 4.38(a)]	21. INVESTMENT TRANSACTIONS The Company shall ensure that all investment transactions pursued and/or concluded by it are in accordance with section 15 of the Listings Requirements and its investment policy as may be amended and updated from time to time by special resolution. [LR Sec 15.8]	Alignment to RHB now being an Investment Entity
21.2		The Company shall ensure that all investment transactions pursued and/or concluded by it, which are not in accordance with the investment policy, are in accordance with section 15 of its JSE Listings Requirements and are approved by way of special resolution of the shareholders	Alignment to RHB now being an Investment Entity Compliance with the JSE Listing requirements
38	DISTRIBUTIONS 38.1. Subject to the provisions of the Act, in particular section 46, the JSE Listings Requirements and Annexure A hereto, the Company may make a proposed distribution if such distribution [LR Sch 10.17(a)] – 38.1.1. is pursuant to an existing legal obligation of the Company, or a court order; or 38.1.2. is authorised by resolution of the Board, provided however that the Board shall be obliged to declare a distribution to the B Shareholders in such maximum amount as may be available for distribution in the manner and within the timeframes contemplated in Annexure A hereto.	DISTRIBUTIONS 38.1. Subject to the provisions of the Act, in particular section 46, the JSE Listings Requirements and Annexure A hereto, the Company may make a proposed distribution if such distribution [LR Sch 10.17(a)] – 38.1.1. is pursuant to an existing legal obligation of the Company, or a court order; or 38.1.2. is authorised by resolution of the Board. [balance of previous text deleted]	Removal of text that appears to contradict the prescripts of section 46 of the Companies Act

Clauses	Pre-Amendment Wording	Amendment	Rationale
New 38.2	N/A	In so far as a distribution to the B Shareholder (in the form of a B Dividend) is concerned, it has been agreed to and understood by ManCo (as defined in clause 2.1.4 of Annexure A hereto) and the Company that such distribution constitutes a distribution arising out of the obligations set out in the Management Agreement (as defined in clause 2.1.5 of Annexure A hereto). That being the case, ManCo and the Company agree that the Board shall upon a determination being made as to the distribution (i.e. a B Dividend calculated in accordance with the formulae set out in clause 2.2.6 of annexure A) payable to ManCo, make an assessment as to whether there are any impediments to making a distribution to the B Shareholder in whole or in part (taking into account such maximum amount as may be available for distribution in light of clauses 2.2.7 to 2.2.10 of annexure A hereto), in respect of any relevant Accounting Period, which assessment shall include but not be limited to, a consideration of whether the Solvency and Liquidity Test as contemplated in section 46 of the Act will be satisfied upon a distribution to the B Shareholder being made by the Company.	Clarity as to the process to determine the B Dividend payable and the payment principles associated therewith was required. RHB further required that accommodations be made for circumstances which may result in it not being in the interests of RHB at the time to declare a B Dividend. The amendment is to cater for and facilitate the payment of the fees in shares or in cash or a combination thereof, if the Company needs to preserve cash and for any identified growth opportunities.
2.2.6 of Annexure A to the current MOI	the right to receive out of the profits of the Company which are available for Distribution, in priority to and before any repayment of any capital or interest on any Shareholder loans by the Company or any provision for, declaration or payment of any dividend or return of capital or other Distribution on another class of Securities (including ordinary Shares) in the capital of the Company, dividends declared on the B Share ("B Dividends") for each Accounting Period in an aggregate amount (for all the B Shares) calculated at the end of each Accounting Period in accordance with Formula 1, Formula 2, Formula 3 and Formula 4 below:	the right to receive out of the profits of the Company which are available for Distribution, in priority to and before any repayment of any capital or interest on any Shareholder loans by the Company or any provision for, declaration or payment of any dividend or return of capital or other Distribution on another class of Securities (including ordinary Shares) in the capital of the Company, dividends declared on the B Share ("B Dividends") for each Accounting Period (excluding the initial Accounting Period) in an aggregate amount (for all the B Shares) calculated at the end of each Accounting Period (excluding the initial Accounting Period) in accordance with Formula 1, Formula 2, Formula 3 and Formula 4 below:	Clarification by inserting the text in red was required as there was an issue pertaining to whether the accounting period of 12 July 2017 to end February 2018 should be regarded as an Accounting Period.

Clauses	Pre-Amendment Wording	Amendment	Rationale
2.2.7 of Annexure A to the current MOI	a B Dividend shall be declared and paid in full within 30 (thirty) days after each Accounting Period. In the event that a B Dividend is not declared and paid within 30 (thirty) days after an Accounting Period (or that such B Dividend is declared, but not paid in full), for any reason whatsoever, than the B Dividend (and/or the unpaid portion thereof) shall be accumulated and accrue interest at the Prime Rate plus 2% (two percent) from the date on which such B Dividend (and/or the unpaid portion thereof) should have been paid until the date of actual payment thereof; and	only to the extent that the requirements of clause 38.2 of this MOI and section 46 of the Act have been complied with, a B Dividend which may be considered due to ManCo in respect of a particular Accounting Period, shall be declared and paid in full within 60 (sixty) days of the date on which the audited annual financial statements of the Company for the relevant Accounting Period are approved by the Board.	To address the following issue: 1. Clause 38.2 in its current form seemingly sets a different standard of declaring and paying a B Dividend which negates the prescripts of section 46 of the Companies Act. Clause 2.2.7 of annexure A to the MOI further negates the obligation of RHB's Board of Directors ("RHB's Board") to apply the Solvency and Liquidity Test prior to paying the B Dividend to ManCo in circumstances where the payment of a dividend is in terms of the Companies Act regarded as a distribution which warrants strict compliance with section 46 of the Companies Act. Clause 2.2.7 of Annexure A to the current MOI reads as follows: "…a B Dividend shall be declared and paid in full within 30 (thirty) days after each Accounting Period. In the event that a B Dividend is not declared and paid within 30 (thirty) days after an Accounting Period (or that such B Dividend is declared, but not paid in full), for any reason whatsoever, than the B Dividend (and/or the unpaid portion thereof) shall be accumulated and accrue interest at the Prime Rate plus 2% (two percent) from the date on which such B Dividend (and/or the unpaid portion thereof) should have been paid until the date of actual payment thereof;" Own Emphasis

Clauses	Pre-Amendment Wording	Amendment	Rationale
New clause 2.2.8 to 2.2. 10 of Annexure A to the current MOI	N/A	2.2.8. in the event that a B Dividend is not paid within 60 (sixty) days of the date on which the audited financial statements of the Company for the relevant Accounting Period are approved by the Board (or that such B Dividend is not paid in full), for any reason whatsoever, then the B Dividend (and/or the unpaid portion thereof) shall be accumulated and accrue interest at the Prime Rate plus 2% (two percent) from the date on which such B Dividend (and/or the unpaid portion thereof) ought to have been paid until the date of actual payment thereof, which payment shall include an amount in lieu of all interest accrued as at that date; 2.2.8 in the event that the Company is unable to pay a B Dividend which is declared in full and in cash in respect of the relevant Accounting Period, the Company shall, (except where the B Shareholder agrees for the entire B Dividend so declared to be paid by way of shares issued for cash) and to the extent that cash is available for distribution in an amount equivalent to at least 25% of the B Dividend so declared, be obligated to ensure that at least 25% of the B Dividend so declared for the relevant Accounting Period is paid to ManCo in cash and the balance by way of ordinary shares issued for cash in accordance with the JSE Listings Requirements or in such other manner as may be agreed to between the Company and ManCo subject to any approvals as may be required from the Board and Shareholders of the Company in terms of this MOI and the Act; should the Company not be in a position to raise cash in an amount equal to at least 25% of the B Dividend due as envisaged in 2.2.9 and should the Company and ManCo fail to agree to any other manner in which payment of the B Dividend declared may be settled by the Company, the B Dividend amount will accumulate interest as envisaged in 2.2.8	To cater for circumstances in which RHB is unable to pay a declared dividend for some or other reason.

IMPLEMENTATION OF ORDINARY AND SPECIAL RESOLUTIONS

Ordinary resolution number 19

RESOLVED that any Director and/or the Secretary of the Company, be and is hereby authorised to do all such things, sign all such documents, and take all actions as may be necessary to implement the above ordinary and special resolutions.

In order for this ordinary resolution number 18 to be adopted, the support of at least 50% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

Electronic participation arrangements

1. The Company's MOI and section 63(2)(a) of the Companies Act authorise the conduct of shareholders' meetings entirely by electronic communication. In light of the measures put in place by the South African Government in response to the COVID-19 pandemic, the Board has decided that the AGM will only be accessible through a remote interactive electronic platform as detailed below.

2. Shareholders or their duly appointed proxies who wish to participate in the AGM are required:

   a) To complete the Electronic Participation Application Form available immediately after the Form of Proxy on page 163 and email same to the Company's Transfer Secretaries at proxy@computershare.co.za and to RH Bophelo at invest@rhbophelo.co.za as soon as possible, but in any event by no later than 10h00 on Wednesday, 10 August 2022.
   b) If the intended participant is a natural person, the Electronic Participant Application form must be accompanied by a copy of his/her identity document or valid passport or driver's license to enable the intended Participant to be verified.
   c) If the intended Participant is not a natural person, a copy of a resolution passed by it (which resolution must set out the identity of the natural person who is authorised to represent the Intended Participant at the online AGM) and a certified copy of the identity document or valid passport or valid driver's license of the natural person who is authorised to represent the Intended Participant.
   d) If the Intended Participant is an RH Bophelo Beneficial Owner with his/her/its RH Bophelo share registered in the name of a Dematerialised Nominee Shareholder, a copy of the letter of representation issued by the Dematerialised Nominee Shareholder, which shall contain the identity number of the RH Bophelo Beneficial Owner.

3. In accordance with section 63(1) of the Act, shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the AGM. The Company will accept a valid South African identity document, a valid driver's license or a valid passport as satisfactory identification.

4. Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the AGM. The Company's Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or his/her duly appointed proxy or representative to enable the Company to forward him/her a Microsoft Teams meeting invitation required to access the AGM.

5. Fully verified shareholders or their duly appointed proxies or representatives who have applied to participate electronically in the AGM are requested by no later than 09h55 on Friday, 12 August 2022 to join the lobby of the meeting by clicking on the "Join Microsoft Teams Meeting" link to be provided by RH Bophelo's Company Secretary, whose admission to the meeting will be controlled by the Company Secretary.

6. Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the Company's Transfer Secretaries or RH Bophelo who will also not be held liable in the case of loss of network connectivity or other network failures due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages that prevent any such shareholder or his/her proxy from participating in and /or voting at the AGM.

VOTING AND PROXIES

Ordinary shareholders are entitled to attend, speak and vote at the Annual General Meeting.

Ordinary shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company.

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution. For a special resolution to be approved by the shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

1. Voting will be via a poll; every shareholder of the Company shall have one vote for every share held in the Company by such shareholder.

2. A shareholder entitled to participate and vote at the AGM is entitled to appoint a proxy or proxies to electronically participate, speak and vote in his/ her stead. A proxy need not be a shareholder of the Company.

3. The electronic platform (Microsoft Teams) to be utilised to host the AGM does not provide for electronic voting during the meeting.

4. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the Form of Proxy (found on pages 158 to 161) and lodging this form with the Company's Transfer Secretaries by no later than 10h00 on Wednesday, 10 August 2022 by:

   a) Delivery to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank; or Private Bag X9000, Saxonwold, 2132
   b) Email to proxy@computershare.co.za.

5. Shareholders who indicate in the Electronic Participation Application Form that they wish to vote during the electronic meeting will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

6. Dematerialised shareholders without 'own name' registration:

   - All beneficial owners of ordinary shares who have dematerialised their ordinary shares through a Central Securities Depository Participant (CSDP) or broker, other than those shareholders who have elected to dematerialise their ordinary shares with ''own name" registration, must provide their CSDP, broker or nominee to advise the Company or its Transfer Secretaries of this instruction preferably not less than 48 hours before the time appointed for the holding of the AGM, that being 10h00 on Wednesday, 10 August 2022.

7. Certificated shareholders and dematerialised shareholders with 'own name' registration

   - Those Certificated Shareholders and Dematerialised Shareholders with 'own name' registration, who wish to participate in the AGM (either in person or represented by proxy), must submit a completed Electronic Participation Application Form to the Company's Transfer Secretaries and to RH Bophelo in the manner and within the timeframe described above under the section titled "Electronic Participation Arrangements".

By order of the Board

Corporate Vision Consulting Proprietary Limited
Company Secretary
Thursday, 30 June 2022

Registered Office
1st floor, 1 Melrose Boulevard
Melrose Arch, Melrose North
Johannesburg, 2191
South Africa

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
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South Africa
(Private Bag X9000,
Saxonwold, 2132

Sponsor
Deloitte & Touche Sponsor Services Proprietary Limited
(Registration number
1996/000034/07)
5 Magwa Crescent
Waterfall City
Midrand, 2090
(Private Bag X6,
Gallo Manor, 2052)

Legal Advisor
MBA Incorporated
85 Western Service Road
Wendywood
Sandton, 2090
(PO Box 69
Morningside, 2057)

FORM OF PROXY

RH BOPHELO LIMITED

(Incorporated in the Republic of South Africa) (Registration number: 2016/533398/06)
(JSE & RSE Share Code: RHB ISIN: ZAE000244737)
("RH Bophelo" or "the Company")

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH 'OWN-NAME' REGISTRATION ONLY

For use at the Annual General Meeting (AGM) of shareholders of the Company, to be held through electronic communication at 10h00 on Friday, 12 August 2022, or at any adjournment or postponement of that meeting.

A shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the Company) to attend, participate in, speak, and vote or abstain from voting in the place of that shareholder at the AGM.

I/We (please print names in full) ____

of (address) ____

Telephone number ______________________ Cellphone number ______________________

Email address ____

being the holder/s ______________________ 'A' Ordinary Shares in RH Bophelo Limited, do hereby appoint:

1. ______________________ or, failing him/her

2. ______________________ or, failing him/her

3. The Chairman of the AGM, as my/our proxy to vote for me/us on my/our behalf at the AGM, which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the said resolutions and/or to abstain from voting in respect of the "A" Ordinary Shares of the Company registered in my/our name(s), on the following ordinary and special resolutions to be proposed at such meeting.

VOTING INSTRUCTIONS

ORDINARY RESOLUTIONS (Please insert X in the appropriate box)		FOR	AGAINST	ABSTAIN
1	To approve the audited Annual Financial Statements for the financial year ended, 28 February 2022.			
2	To re-elect Bojane Segooa as an Independent Non-Executive Director of the Company.			
3	To re-elect Dr Kgaogelo Ntshwana as an Independent Non-Executive Director of the Company.			
4	To elect Lyndsay Maseko as an Independent Non-Executive Director of the Company.			
5	To elect Samson Moraba as an Independent Non-Executive Director of the Company			
6	To re-elect Bojane Segooa, as a member of the Audit and Risk Committee.			
7	To re-elect Dr Kgaogelo Ntshwana, as a member of the Audit and Risk Committee.			
8	To elect Lyndsay Maseko, as a member of the Audit and Risk Committee.			
9	To elect Lyndsay Maseko, as Chairperson of the Audit and Risk Committee.			
10	To elect Samson Moraba as a member of the Audit and Risk Committee.			
11	To re-appoint Mazars South Africa as the Company's auditors with Rochelle Murugan as the designated audit partner, to hold office until the conclusion of the next AGM of the Company.			
12	To endorse, by way of a non-binding advisory vote the Company's Remuneration Policy.			
13	To endorse, by way of a non-binding advisory vote the Company's Remuneration Implementation Report.			
14	The authorised but unissued "A" Ordinary Shares in the capital of the Company be placed under the control and authority of the Directors of the Company.			
15	General authority to allot or issue all or any of the authorised but unissued "A" Ordinary Shares in the capital of the Company for cash.			
16	The authorised but unissued "A" Ordinary Shares be placed under the control of the Directors for the specific purpose of issuing new A Ordinary Share on the Rwanda Stock Exchange.			
17	To allot or issue all or any of the authorised but unissued "A" Ordinary Shares in the capital of the Company for cash in terms of raising capital on the Rwanda Stock Exchange.			
18	To approve the amendment to various clauses of the management agreement, which is a related party agreement in terms of the JSE Listings Requirements.			
19	Authority for any Director and/or the Secretary of the Company to implement the resolutions.			
	SPECIAL RESOLUTIONS			
1	To remunerate Non-Executive Directors for their services as Directors.			
2	To authorise the Directors, in terms of and subject to the provisions of section 45(3)(a)(ii) of the Companies Act, as a general approval, to cause the Company to provide direct or indirect financial assistance.			
3	To authorise the Directors in terms of and subject to section 44(3)(a)(ii) of the Companies Act, as a general approval, to cause the Company to provide financial assistance for the subscription or purchase of any option or any securities of the Company.			
4	To approve the amendment of clauses of the Company's MOI to align them with the Companies Act and to allow the B-Share Dividend to be paid by shares.			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at ______________________________ on______________________________ 2022

Signature ______________________________

Assisted by, (if applicable) ____

Please read the notes overleaf.

NOTES TO THE FORM OF PROXY

(Which include, inter alia, a summary of the rights established by section 58 of the Companies Act, as amended (Companies Act).

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

A shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.

A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.

Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.

Any appointment by a shareholder of a proxy is revocable unless the form of instrument used to appoint such proxy states otherwise.

If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by:

i. Cancelling it in writing or making a later inconsistent appointment of a proxy and
ii. Delivering a copy of the revocation instrument to the proxy and to the relevant company.

- A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
- If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
  i. The relevant shareholder; or
  ii. The proxy or proxies if the relevant shareholder has:
- Directed such company to do so, in writing; and
- Paid any reasonable fee charged by such company for doing so.

NOTES

1. Each shareholder is entitled to appoint 1 (one) or more proxies (none of whom need be a shareholder) to attend, speak and vote in place of that shareholder at the AGM.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided with or without deleting 'the Chairman of the AGM,' but the shareholder must initial any such deletion. The person whose name stands first on the Form of Proxy and who is present at the AGM will be entitled to act as a proxy to the exclusion of those whose names follow.

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 or an 'X' should the shareholder wish the proxy to exercise all votes. Failure to comply with the above will be deemed to authorize and direct the Chairman of the AGM, if the Chairman is the authorised proxy, to vote or abstain from voting at the AGM as the Chairman deems fit, or any other proxy to vote or abstain from voting at the AGM as he/she deems fit, in respect of all the votes of the shareholder exercisable at the meeting.

4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to the Transfer Secretaries at Private Bag X9000, Saxonwold, 2132, to be received by them by no later than 10:00 on Wednesday,10 August 2022.

5. Completion and lodging of this Form of Proxy will not preclude the relevant shareholder from participating electronically at the AGM, speaking, and voting in electronically to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

6. The Chairman of the AGM may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the MOI of RH Bophelo

7. Any alteration or correction made to this Form of Proxy must be initialed by the signatory/ies.

8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g., for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy unless previously recorded by RH Bophelo or the Transfer Secretaries.

9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by RH Bophelo or the Transfer Secretaries or waived by the Chairman of the AGM.

10. Where "A" Ordinary Shares are held jointly, all joint holders are required to sign this form of proxy.

11. A minor shareholder must be assisted by his/her parent/ guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by RH Bophelo or the Transfer Secretaries.

12. Dematerialised shareholders, other than their own name, participating via electronic communication, should contact their CSDP or broker with instructions on how they wish to vote.

13. This Form of Proxy shall be valid at any resumption of an adjourned meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the AGM from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the AGM in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.

14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.

15. Any proxy appointed pursuant to this Form of Proxy may not delegate her/his authority to act on behalf of the relevant shareholder.

16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the AGM or any adjournment of the AGM.

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING – RH BOPHELO LIMITED

(Incorporated in the Republic of South Africa) (Registration number: 2016/533398/06)
(JSE & RSE Share Code: RHB ISIN: ZAE000244737)
("RH Bophelo" or "the Company")

Annual General Meeting – 12 August 2022 ("AGM')

Capitalised terms that are not defined herein shall bear the meanings assigned to them in the notice of annual general meeting (the AGM Notice) to which this form is attached and forms part thereof.

Instructions
Shareholders or their proxies have the right, as provided for in the Company's Memorandum of Incorporation and the Companies Act, to participate in the AGM by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the AGM must complete this application form and email it (together with the relevant supporting documents referred to below) to the Company's Transfer Secretaries at proxy@computershare.co.za and to the Company at invest@ rhbophelo.co.za as soon as possible, but in any event by no later than 10h00 on Wednesday, 10 August 2022.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the AGM. The Company's Transfer Secretaries will provide the Company with the email address of each verified shareholder or his/her duly appointed proxy (each, a Participant) to enable the Company to forward the Participant a Microsoft Teams meeting invitation required to access the AGM.

RH Bophelo will send each Participant a Microsoft Teams meeting invitation with a link to "Join the Microsoft Teams Meeting" on Friday, 12 August 2022 to enable Participants to link up and participate electronically in the AGM. This link will be sent to the email address nominated by the Participant in the table below.

Please note
The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the Form of Proxy (found on page 158) and lodging the completed proxy form together with this Electronic Participation Application Form with the Company's Transfer Secretaries.

Participants who indicate in this form that they wish to vote during the electronic meeting will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the Company's Transfer Secretaries or RH Bophelo who will also not be held accountable in the case of loss of network connectivity or other network failures due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Participant from participating in and /or voting at the AGM.

By signing this application form, the Participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the AGM or any interruption in the ability of the Participant to participate in the AGM via electronic communication, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else, including without limitation the Company and its employees.

INFORMATION REQUIRED FOR PARTICIPATION BY ELECTRONIC COMMUNICATION AT THE AGM

Full name of shareholder: ____

Identity or registration number of shareholder: ____

Full name of authorised representative (if applicable): ____

Identity number of authorised representative: ____

Email address: ____

Note: this email address will be used by the Company to share the Microsoft Teams meeting invitation required to access the AGM electronically.

Cell phone number: ______________________________

Telephone number, including dialing codes: ______________________________

Note: The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the proxy form found on page 158.

Indicate (by marking with an 'X') whether:

☐ Votes will be submitted by proxy (in which case, please enclose the duly completed proxy form with this form); or

☐ The Participant wishes to exercise votes during the AGM. If this option is selected, the Company's Transfer Secretaries will contact you to make the necessary arrangements.

By signing this application form, I consent to the processing of my personal information provided above for the purpose of participating in RH Bophelo's AGM.

Signed at: ______________________ on______________________ 2022

Signed: ______________________

DOCUMENTS REQUIRED TO BE ATTACHED TO THIS APPLICATION FORM

1. To exercise their voting rights at the AGM, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the AGM, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the AGM.

2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the AGM, must be attached to this application.

3. A certified copy of the valid identity document/passport of the person attending the AGM by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may, in its sole discretion, accept any incomplete application forms.

SHAREHOLDERS' DIARY

Annual results 2022	
Financial year end	Monday, 28 February 2022
Publication of preliminary results	on or about Tuesday, 31 May 2022
Financial report and notice of AGM posted	on Friday, 8 July 2022
Annual General Meeting	Tuesday, 12 July 2022
Interim results 2022	
Interim period ends	Wednesday, 31 August 2022
Announcement of interim results	on or about Wednesday, 30 November 2022

DEFINITIONS

AGM	Annual General Meeting
AFS	Annual Financial Statements
AHC or Africa Health Care	Africa Healthcare Proprietary Limited
Agterskot	Final Deferred Payment
ARC	Audit and risk committee
AWCA	African Women Chartered Accountants
ARV	Antiretroviral
B-BBEE	Broad-Based Black Economic Empowerment as envisaged in the BEE Act
BEE	Black Economic Empowerment
BEE Act	Broad-Based Black Economic Empowerment Act No 53 of 2003
BHF	Board of Healthcare Funders
Board of Directors	Board of Directors of the Company
BofAML	Bank of America Merrill Lynch
CA	Chartered Accountant
CAGR	Compound Annual Growth Rate
CAPM	Capital Asset Pricing Method
CEO	Chief Executive Officer

CFO	Chief Financial Officer
Company or RH Bophelo	RH Bophelo Limited (Registration number 2016/533398/06), a public company duly registered and incorporated in South Africa
Company Secretary	Corporate Vision Consulting Proprietary Limited (Registration number 2015/006536/07), a private company duly registered and incorporated in South Africa
CSI	Corporate Social Initiatives
Companies Act	Companies Act 71 of 2008
COVID-19	Coronavirus disease 2019 (COVID-19) is an illness caused by a noval coronavirus now called severe acute respiratory syndrome coronavirus 2 (SARS- CoV-2; formerly called 2019-nCoV)
CRISA	Code for Responsible Investing in SA
CSDP	Central Securities Depository Participant
COO	Chief Operating Officer
CIO	Chief Investment Officer
COSO	Committee of Sponsoring Organisations
CV	Curriculum Vitae
Directors	A member of the Board of people that manages or oversees the affairs of a business
DBSA	Development Bank of Southern Africa
DoH	Department of Health
DCF	Discounted Cash Flow
DOA	Delegation of Authority
DWT	Dividend Withholding Tax
EBIT	Earnings Before Interest & Tax
EBITDA	Earnings Before Interest, Taxation, Depreciation & Amortisation
ESD	Enterprise and Supplier Development
EV	Enterprise Value
ESG	Environmental, Social and Governance
ExCo	Executive Committee
Genric	Genric Insurance Company Limited
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
Group	The Company and its wholly-owned subsidiary, RH Bophelo Operating Company Proprietary Limited and RH Bophelo Financial Services Proprietary Limited
HR	Human Resources
HIV	Human Immunodeficiency Virus
HVAC	Heating, Ventilation and Air Conditioning
IDC	Industrial Development Corporation
IFRS	International Reporting Standards
ISA	International Standards for Auditing
IAS	International Auditing Standards

IASB	International Accounting Standards Board
IBOR	Inter Bank Offered Rates
IC	Investment committee
IFC	International Finance Committee
IIRC	International Integrated Reporting Council
IR	Integrated Report
IT	Information Technology
ISIN	Internal Securities Identity Number
King IV	King IV Report on Governance for South Africa
KPI	Key Performance Indicator
LTI	Long Term Incentive
Management Company or RH Bophelo Management Company or ManCo	RH Bophelo Management Company Proprietary Limited (Registration Number 2016/533552/07
MOI	Memorandum of Incorporation
NAV	Net Asset Value
NHI	National Health Insurance
NHN	National Hospital Insurance
NAVPS	Net Asset Value Per Share
NDE	Non-Distributable Earnings
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay-As-You-Earn
P/E	Price Earnings
PwC	PricewaterhouseCoopers
PBHPM	Phelang Bonolo Healthcare Procurement and Management Proprietary Limited
POPIA	Protection of Personal Information Act 4 of 2013
PPE	Personal Protective Equipment
RA	Registered Auditor
RH Managers	RH Managers Proprietary Limited (Registration number 2013/080004/07), a private company duly registered and incorporated in South Africa
RMA	Rand Mutual Assurance
RMC	Rondebosch Medical Centre Proprietary Limited
ROE	Return on Equity
REIT	Real Estate Investment Trust
REIPPP	Renewable Energy Independent Power Procurement Programme
RHB	RH Bophelo
RHBO	RH Bophelo Operating Company

RHFS	RH Financial Services Proprietary Limited
RMB	Rand Mutual Bank
RNC	Remuneration and Nominations Committee
ROI	Return on Investment
RSE	Rwanda Stock Exchange
SAICA	South African Institute of Chartered Accountants
SANC	South African Nursing Council
SENS	Stock Exchange News Service
SPAC	Special Purpose Acquisition Company as envisaged in the JSE Listings Requirements
SABC	South African Broadcasting Corporation
SAPS	South African Police Service
SAVCA	South African Venture Capital and Private Equity Association
SEC	Social and ethics committee
SME	Small and Medium sized Enterprises
STI	Short Term Incentive
TWIG	Third Way Investment Group
TB	Tuberculosis
TE	Transacting Executive
TGR	Terminal Growth Rate
UIF	Unemployment Insurance Fund
Unclaimed Financial Asset Authority	Unclaimed Financial Asset Authority
UNISA	University of South Africa
UNGC	United Nation Global Compact
UMA	Underwriting Management Agency
VPH	Vryburg Private Hospital
VAT	Value Added Tax
VWAP	Volume Weighted Average Price
VCC	Venture Capital Companies
WACC	Weighted Average Cost of Capital
Westmart	Westmart Financial Services and Administrative Solutions (Pty) Ltd
WHO	World Health Organisation
ZAR	South African Rand

CORPORATE INFORMATION

COMPANY DETAILS
RH Bophelo Limited
Registration number: 2016/533398/06
Share code: RH BOPHELO
ISIN: ZAE000244737
Date of incorporation: 13 December 2016
Place of incorporation: South Africa

REGISTERED OFFICE
Unit 12 – 1st Floor
1 Melrose Boulevard
Melrose Arch
Johannesburg, 2191
South Africa

POSTAL ADDRESS
Unit 12 – 1st Floor
1 Melrose Boulevard
Melrose Arch
Johannesburg, 2191
South Africa

DIRECTORS
JR Oliphant (Chairman)
Q Zunga (Chief Executive Officer)
CW Clarke (Chief Investment Officer)
KD Mhlaba (Chief Financial Officer)
VP Nomvalo (Executive Director)
DM Lerutla (Non-Executive Director)
Dr SG Motuba (Non-Executive Director)
Dr KR Ntshwana (Non-Executive Director)
B Segooa (Non-Executive Director)
Dr PD Sekete (Non-Executive Director)
LR Maseko (Non-Executive Director)
S Moraba (Non-Executive Director)

COMPANY SECRETARY
Corporate Vision Consulting Proprietary Limited
Registration number: 2015/006536/07
Cedar Office Estate, Building 3, Stinkwood Close,
Cedar Road
Fourways
Johannesburg, 2191

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Ltd
Registration number 2004/003647/07
Rosebank Towers
15 Biermann Avenue, Rosebank
Johannesburg, 2196
South Africa

POSTAL ADDRESS
Private Bag X9000 Saxonwold
2132
South Africa

SPONSOR SOUTH AFRICA
Deloitte & Touche Sponsor Services Proprietary Limited
Registration number 1996/000034/07
Deloitte Place
5 Magwa Crescent
Waterfall City
2090

SPONSOR RWANDA
Faida Securities Rwanda Limited
Registration number 101856301
Centenary House, 4th Floor
124 Kigali
Rwanda

EXTERNAL AUDITORS
Mazars (South Africa)
Practice number 900222
Mazars House, 54 Glenhove Road
Melrose Estate
Johannesburg, 2196
South Africa

COMMUNICATIONS AGENCY
Kaitoma Creatives CC
The Hunt @ Hunts End
38 Wierda Road West
Wierda Valley, Sandton
Johannesburg, 2196 South Africa

RH BOPHELO
Health is Wealth

RH Bophelo Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2016/533398/06)
(JSE & RSE Share Code: RHB, ISIN:
ZAE000244737)

Registered address
Unit 12, 1st floor,
1 Melrose Boulevard,
Melrose Arch,
Johannesburg, 2191.
Tel: +27 (0)10 007 2171
Email: invest@rhbophelo.co.za
Website: www.rhbophelo.co.za

Feedback
RH Bophelo welcomes feedback and any suggestions to improve the Company's future reports. Please forward any comments to:

Tel: +27 (0)10 007 2171
Email: invest@rhbophelo.co.za