

Trans-Caledon Tunnel Authority (TCTA)

WSP5 (LHWP)

ZAG000020017

As established by Notice No 2631 in Government Gazette No 10545 of 12 December 1986, and revised by Notice No 277 in Government Gazette No 21017 of 24 March 2000 (the *Notice of Establishment*). A Schedule 2 Public Finance Management Act No. 1 of 1999 (PFMA) entity.

FURTHER CLARIFICATION – UPDATE ON DELAY IN SUBMISSION OF TCTA’S 2019/20 ANNUAL REPORT AND THE RELEASE OF THE ANNUAL FINANCIAL STATEMENTS

Noteholders are notified of the following with regards to TCTA’s SENS announcement of 30 October 2020 relating to the delay in the submission of TCTA’s 2019/20 Annual Report and Annual Financial Statements (AFS) for the year ended 31 March 2020.

1. CLARIFICATION

In terms of s6.15 of the revised Debt Listing Requirements, effective from September 2020, a state-owned entity must submit its audited annual financial statements to the JSE within seven months after the end of the financial year, i.e. 31 October 2020 in the case of a financial year ending on 31 March. Due to the nationwide lockdown, the FSCA granted an extension of two months, resulting in TCTA being required to submit its AFS by 31 December 2020.

After the submission of the SENS announcement on 30 October, TCTA was granted a further extension by the FSCA to 29 January 2021.

The revised deadline dates and sections are reflected in the table below:

Requirement	Deadline	Status	Consequences of Non-Compliance
s90(b) FMA Regulated Person must submit AFS to FSCA	30 October 2020	Extension granted to 29 January 2021	Administrative penalty levied in terms of s167 FSRA.
s6.15 DLR: make AFS publicly available & publish JSE SENS announcement	31 December 2020	31 December 2020	s6.18(b) DLR JSE will publish SENS after deadline informing investors of potential suspension of listing. s6.18(c) DLR if AFS are still outstanding after 29 Jan 2021, JSE will suspend listing. S6.18 (d) DLR The suspension of the listing will be lifted after the JSE receives the AFS

2. UPDATE ON DELAY IN SUBMISSION OF TCTA'S 2019/20 ANNUAL REPORT AND THE RELEASE OF THE ANNUAL FINANCIAL STATEMENTS

The closing of the border prevented the auditors of the Lesotho Highlands Development Authority from conducting work required by the Auditor General South Africa ("AGSA") in relation to TCTA's mandate on the Lesotho Highlands Water Project. With the reopening of the international border, the auditors of LHDA have fulfilled the AGSA's requirements.

In the course of finalising the audit, the AGSA raised a query related to royalty payments made to the Government of Lesotho by TCTA on behalf of the Government of South Africa, which matter required the Department of Water and Sanitation and the RSA Delegation to the Lesotho Highlands Water Commission, under whose responsibility the matter lies, to request the advice of legal and technical experts. To accommodate the required work, a request for a two week extension was submitted to the AGSA on 7 November 2020, which was granted to TCTA. TCTA expects the AGSA to conclude the audit and release the audit report to the TCTA Board on or before Friday, 4 December 2020.

Section 65(1)(a) of the PFMA requires the executive authority to table in the National Assembly the annual report, financial statements and the audit report within one month after they have received it, after which it is public documentation. Considering that the National Assembly will go into recess after 4 December 2020, the tabling of the annual report, financial statements and the audit report will take place after the opening of Parliament in February 2021.

Given TCTA's obligations in terms of various finance agreements and the JSE Debt Listing Requirements, the Board will consider the options available to publish earlier.

TCTA will update Noteholders promptly as soon as further information becomes available.

25 November 2020

For further information please contact

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