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NATIONAL INVESTMENTS PLC



UNAUDITED

HALF YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

On behalf of the Board of National Investments Plc, management presents unaudited half year financial statement for the period ended 30 June 2020, which discloses the state of affairs of the Company as at that date.

FINANCIAL PERFORMANCE

As at 30th June 2020, the Company realized a profit after tax of TZS 2.9 billion (30 June 2019: TZS 1.5 billion) and the Company's current assets exceed its current liabilities by TZS 1.13 billion.

*Liquidation of the subsidiary Tanzania Meat Company Ltd (TMCL) is in progress, the total sum receivable of TZS 1,215,315,664 was fully impaired in the financial year 2019.

DIVIDEND

As at 13th August 2020, a total sum of **TZS 1,512,621,483/=** was paid to all shareholders whose bank information received.

In addition to the above dividends, the Directors recommends payment of interim dividend of **TZS 10** per fully paid ordinary share out from the profit of the year 2020, subject to obtaining approval of the 6th Annual General Meeting of the Shareholders.

HALF YEAR STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Half year 30 Jun 2020 TZS '000 | 30 Jun 2019 TZS '000 | As at 31-Dec-19 TZS '000 |
|---|-------|--------------------------------------|-------------------------|--------------------------------|
| Investments Income | | | | |
| Dividend Income | 3 | 3,197,253 | 2,205,489 | 2,458,152 |
| Interest Income | 4 | - | 30,897 | 33,986 |
| Total Investment Income | | 3,197,253 | 2,236,386 | 2,492,138 |
| Gain on Share trading | 5 | 915,172 | - | - |
| Other Income | 6 | - | - | 335,899 |
| Total Other Income | | 915,172 | - | 335,899 |
| Total Operating Income | | 4,112,426 | 2,236,386 | 2,828,037 |
| Employees Benefit expenses | 7 | (500,474) | (347,305) | (647,853) |
| Administration Expenses | 8 | (328,392) | (159,732) | (554,689) |
| Impairment charges | 9 | (86,625) | - | (1,215,316) |
| Loss on sale of assets | 10 | (65,283) | - | - |
| Other operating Costs | 11 | (55,578) | (56,090) | (113,864) |
| Depreciation and amortization | | (13,059) | - | (57,171) |
| Total Operating Expenses | | (1,049,411) | (563,127) | (2,588,893) |
| Finance Expenses | 12 | 14 | (67,160) | (71,774) |
| Profit before Income tax | | 3,063,029 | 1,606,098 | 167,370 |
| Income tax expenses | 13 | (159,863) | (110,274) | (125,997) |
| Profit after taxation | | 2,903,167 | 1,495,824 | 41,373 |
| Other Comprehensive Income/Loss | | | | |
| Items not classified to the profit or loss | | | | |
| Net change in fair value (loss)/gain on available for sale financial assets during the year | | (2,624,431) | - | (1,238,287) |
| Total comprehensive income/Loss | | 278,735 | 1,495,824 | (1,196,915) |
| Basic earnings per share (TZS) | | 42 | 22 | 1 |
| Diluted earnings per share (TZS) | | 42 | 22 | 1 |

NATIONAL INVESTMENTS PLC
 HALF YEAR FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 30TH JUNE 2020

STATEMENT OF FINANCIAL POSITION

| | Notes | Unaudited Half year | | Audited |
|---|-------|-------------------------|-------------------------|----------------------------------|
| | | 30 Jun 2020 TZS '000 | 30 Jun 2019 TZS '000 | As at 31 Dec 2019 TZS '000 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 14 | 1,668,301 | 1,779,192 | 1,739,795 |
| Investment securities | 15 | 81,074,750 | 84,937,469 | 83,699,181 |
| | | 82,743,051 | 86,716,661 | 85,438,977 |
| Current assets | | | | |
| Trade and other receivables | 16 | 20,718 | 45,731 | 24,305 |
| Related Part Transaction | 17 | - | 882,452 | |
| Cash and cash equivalents | 18 | 3,060,695 | 1,774,809 | 72,638 |
| | | 3,081,413 | 2,702,992 | 96,943 |
| Total Assets | | 85,824,461 | 89,419,652 | 85,535,920 |
| Equity and Liabilities | | | | |
| Capital and Reserve | | | | |
| Issued Share capital | | 8,645,647 | 8,645,647 | 8,645,647 |
| Share premium | | 647,342 | 647,342 | 647,342 |
| Retained earnings (Losses) | | 2,074,694 | 1,040,971 | (828,473) |
| Available for sale investments reserve | | 72,502,566 | 75,433,813 | 74,195,526 |
| Equity attributable to owners of the company | | 83,870,249 | 85,767,773 | 82,660,042 |
| Non-controlling interests | | | | |
| Total equity | | 83,870,249 | 85,767,773 | 82,660,042 |
| Current liabilities | | | | |
| Trade and other payables | 19 | 1,954,213 | 2,139,380 | 1,867,544 |
| Other liability | 20 | | 1,112,499 | 1,008,332 |
| Borrowings | | - | 400,000 | - |
| | | 1,954,213 | 3,651,880 | 2,875,876 |
| Total Liabilities | | 1,954,213 | 3,651,880 | 2,875,876 |
| Total Equity and Liabilities | | 85,824,461 | 89,419,652 | 85,535,920 |

NATIONAL INVESTMENTS PLC
 HALF YEAR FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 30TH JUNE 2020

STATEMENT OF CHANGES IN EQUITY

| | Share capital TZS '000 | Share premium TZS '000 | Available sale investments reserve TZS '000 | Retained earnings TZS '000 | Total TZS '000 |
|---|---------------------------|---------------------------|--|----------------------------------|-------------------|
| Year ended 30 June 2020 | | | | | |
| As start of year | 8,645,647 | 647,342 | 74,195,526 | (828,472) | 82,660,043 |
| Profit for the year: | - | - | - | 2,903,167 | 2,903,167 |
| Other comprehensive income for the year, net of income tax: | | | | | |
| Available for sale financial assets | | | | | |
| Net change in fair value of available for sale financial assets | - | - | (1,692,959) | - | (1,692,959) |
| At end of year | <u>8,645,647</u> | <u>647,342</u> | <u>72,502,567</u> | <u>2,074,694</u> | <u>83,870,249</u> |

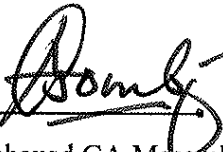
| | Share capital TZS '000 | Share premium TZS '000 | Available sale investments reserve TZS '000 | Retained earnings TZS '000 | Total TZS '000 |
|--|---------------------------|---------------------------|--|----------------------------------|-------------------|
| Year ended 31 December 2019 | | | | | |
| As start of year | 4,730,153 | 4,562,836 | 75,433,814 | (454,853) | 84,271,949 |
| Profit for the year: | - | - | - | 41,373 | 41,373 |
| Other comprehensive income for the year, net of income tax: | | | | | |
| Available for sale financial assets | | | | | |
| Net change in fair value of available for sale financial assets | - | - | (1,238,288) | - | (1,238,288) |
| Transactions with owners: | | | | | |
| Transfer to share capital | 3,915,494 | (3,915,494) | | | |
| Dividends: | | | | | |
| -2018 declared dividend | | | | (414,991) | (414,991) |
| At end of year | <u>8,645,647</u> | <u>647,342</u> | <u>74,195,526</u> | <u>(828,472)</u> | <u>82,660,043</u> |

NATIONAL INVESTMENTS PLC
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 FOR THE PERIOD ENDED 30TH JUNE 2020

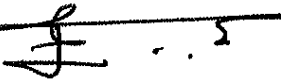
STATEMENT OF CASH FLOWS

| | Half year to 30 June 2020. TZS '000 | As at 31 December 2019. TZS '000 |
|---|--|---|
| Cash flows from operating activities | | |
| Cash generated from operations | 1,308,123 | 420,851 |
| Interest received | | |
| Tax paid | (159,863) | (125,997) |
| Net cash inflow from operating activities | 1,148,260 | 294,854 |
| Cash flows from investing activities | | |
| Cash paid for purchase of property, plant, and equipment | (6,848) | (18,490) |
| Proceeds from disposal of property, plant and equipment | | 871 |
| Proceeds from disposal of trading stocks | 1,846,644 | |
| Net cash (outflow)/inflow from investing activities | 1,839,797 | (17,619) |
| Cash flows from financing activities | | |
| Repayments of borrowings | | (400,000) |
| Dividend | | (414,991) |
| Net cash outflow from financing activities | - | (814,991) |
| Net (decrease)/increase in cash and cash equivalents | 2,988,057 | (537,757) |
| Movement in cash and cash equivalents | | |
| Cash and cash equivalents at the beginning of the half-year | 72,638 | 610,394 |
| Increase/(Decrease) in cash and cash equivalents | 2,988,057 | (537,757) |
| Cash and cash equivalents at end of the half-year | 3,060,695 | 72,638 |

BY ORDER OF THE BOARD



 Mr. Arphaxad GA Masambu
 Chief Executive Officer
 National Investments Plc



 CPA. Erasto G Ngamilaga
 Chief Financial Officer