



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of Murray & Roberts Holdings Limited

We have reviewed the condensed consolidated interim financial statements of Murray & Roberts Holdings Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2023 and the related condensed consolidated statements of financial performance, comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Murray & Roberts Holdings Limited for the six months ended 31 December 2023 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 18 Going Concern in the interim financial statements, which indicates that the ability of the Murray & Roberts Holdings Limited Group to continue as a going concern is dependent on certain events and conditions. These conditions, along with other matters set forth in Note 18 Going Concern, indicate that a material uncertainty exists that may cast significant doubt on the Murray & Roberts Holdings Limited Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: JFM Kotzé
Registered Auditor
Johannesburg, South Africa
6 March 2024

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the review of the condensed consolidated interim financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial statements since they were initially presented on the website.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the six months ended 31 December 2023

R millions	6 months ended 31 December 2023	Restated 6 months ended 31 December 2022*	Annual 30 June 2023
<i>Continuing operations</i>			
Revenue (note 2)	6 558	5 892	12 460
Profit before interest, depreciation and amortisation	289	276	451
Depreciation	(174)	(175)	(337)
Amortisation of intangible assets	(12)	(12)	(23)
Profit before interest and taxation (note 3)	103	89	91
Interest expense	(90)	(138)	(281)
Interest income	15	4	14
Profit/(loss) before taxation	28	(45)	(176)
Taxation expense	(81)	(65)	(106)
Loss after taxation from continuing operations	(53)	(110)	(282)
Loss from discontinued operations (note 4.1)	(41)	(2 423)	(2 897)
Loss for the period	(94)	(2 533)	(3 179)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	(95)	(2 529)	(3 181)
– Non-controlling interests	1	(4)	2
	(94)	(2 533)	(3 179)
Loss per share from continuing and discontinued operations (cents)			
– Diluted	(23)	(627)	(789)
– Basic	(23)	(627)	(789)
Loss per share from continuing operations (cents)			
– Diluted	(13)	(26)	(71)
– Basic	(13)	(26)	(71)

Refer to note 6 for the reconciliation of weighted average number of shares and note 7 for headline loss per share.

* Restated for liquidation of Insig. Refer to note 4 for further details.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2023

R millions	6 months ended 31 December 2023	Restated 6 months ended 31 December 2022*	Annual 30 June 2023
Loss for the period	(94)	(2 533)	(3 179)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	(65)	309	576
Translation of foreign entities reclassified through profit or loss on derecognition (note 4.1)	–	(1 248)	(1 250)
Total comprehensive loss for the period	(159)	(3 472)	(3 853)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	(160)	(3 467)	(3 854)
– Non-controlling interests	1	(5)	1
	(159)	(3 472)	(3 853)

* Restated for liquidation of Insig. Refer to note 4 for further details.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

R millions	31 December 2023	31 December 2022	Annual 30 June 2023
ASSETS			
Non-current assets	2 369	2 143	2 419
Property, plant and equipment	1 561	1 351	1 572
Goodwill (note 8)	432	415	442
Deferred taxation assets	79	84	93
Investments in associate companies	–	2	–
Other non-current assets (note 10)	297	291	312
Current assets	4 516	5 808	4 903
Inventories	171	267	240
Trade and other receivables	238	584	398
Amounts due from contract customers (note 9)	2 931	2 915	2 965
Taxation assets	33	31	36
Investment at fair value through profit or loss (note 11.1)	–	1 329	–
Cash and cash equivalents (note 17)	1 143	682	1 264
Assets classified as held for sale (note 4.3)	1 042	983	1 065
TOTAL ASSETS	7 927	8 934	8 387
EQUITY AND LIABILITIES			
Total equity	1 654	2 204	1 841
Attributable to owners of Murray & Roberts Holdings Limited	1 651	2 166	1 808
Non-controlling interests	3	38	33
Non-current liabilities	654	818	1 080
Long-term liabilities ¹	382	605	706
Long-term provisions	6	12	8
Deferred taxation liabilities	144	88	147
Other non-current liabilities	122	113	219
Current liabilities	4 614	5 031	4 485
Amounts due to contract customers (note 9)	886	696	702
Trade and other payables	2 684	2 259	2 931
Taxation liabilities	36	33	25
Bank overdrafts ¹ (note 17)	606	300	479
Short-term liabilities ¹	402	1 743	348
Liabilities classified as held for sale (note 4.3)	1 005	881	981
TOTAL EQUITY AND LIABILITIES	7 927	8 934	8 387

¹ Interest-bearing borrowings.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2023

R millions	6 months ended 31 December 2023	Restated 6 months ended 31 December 2022*	Annual 30 June 2023
Cash generated/(utilised) by operations	319	(105)	538
Interest received	15	4	19
Interest paid	(90)	(168)	(317)
Taxation paid	(79)	(133)	(186)
Taxation refund	25	3	58
Operating cash flow	190	(399)	112
Dividends paid to non-controlling interests	(31)	(8)	(19)
Net cash inflow/(outflow) from operating activities	159	(407)	93
Purchase of intangible assets other than goodwill	(4)	(1)	(6)
Purchase of property, plant and equipment	(102)	(410)	(652)
– Replacements	(54)	(158)	(136)
– Additions	(147)	(443)	(767)
– Acquisition of assets by means of a lease (non-cash)	99	191	251
Proceeds on disposal of property, plant and equipment	49	8	43
Proceeds on disposal of Aarden Solar	73	–	–
Proceeds on disposal of intangible assets other than goodwill	–	11	17
Proceeds on disposal of investment in BCC (net of transaction costs)	–	–	1 217
Payment for acquisition of subsidiaries, net of cash acquired	–	(6)	(6)
Dividends received from the Bombela Concession Company	–	130	255
Cash and cash equivalents in deconsolidated subsidiaries	–	(1 297)	(1 298)
Proceeds on disposal of assets held for sale	–	45	127
Other	1	–	(1)
Net cash inflow/(outflow) from investing activities	17	(1 520)	(304)
Disposal of treasury shares	–	51	59
Acquisition of treasury shares	(1)	(67)	(67)
Net movement in borrowings	(355)	1 531	56
– Loans raised	–	2 006	1 981
– Loans repaid	(333)	(373)	(1 800)
– Leases repaid	(22)	(102)	(125)
Net movement in bank overdraft*	123	(1 080)	(904)
– Overdraft drawdowns	599	810	1 303
– Overdraft repayments	(476)	(1 890)	(2 207)
Net cash (outflow)/inflow from financing activities	(233)	435	(856)
Total decrease in net cash and cash equivalents	(57)	(1 492)	(1 067)
Net cash and cash equivalents at beginning of period	1 273	2 123	2 123
Effect of foreign exchange rates	(35)	65	217
Net cash and cash equivalents at end of period[^]	1 181	696	1 273
[^] Cash and cash equivalents balance comprises:			
– Cash	1 143	682	1 264
– Reclassification to held for sale	45	14	12
– Overdraft*	(7)	–	(3)

* In the prior year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents which resulted in the restatement of the Consolidated Statement of Cash Flows. Please refer to note 17 for further information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2023

R millions	Stated capital	Other reserves	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total equity
Balance at 1 July 2022	2 686	1 658	1 318	5 662	51	5 713
Total comprehensive loss for the period	–	(938)	(2 529)	(3 467)	(5)	(3 472)
Treasury shares acquired	(67)	–	–	(67)	–	(67)
Treasury shares disposed	51	–	–	51	–	51
Recognition of share-based payment	–	(13)	–	(13)	–	(13)
Utilisation of share-based payment reserve	16	(16)	–	–	–	–
Dividends declared and paid	–	–	–	–	(8)	(8)
Balance at 31 December 2022	2 686	691	(1 211)	2 166	38	2 204
Total comprehensive income/(loss) for the period	–	265	(652)	(387)	6	(381)
Treasury shares disposed	8	–	–	8	–	8
Recognition of share-based payment	–	21	–	21	–	21
Utilisation of share-based payment reserve	1	(1)	–	–	–	–
Dividends declared and paid	–	–	–	–	(11)	(11)
Balance at 1 July 2023	2 695	976	(1 863)	1 808	33	1 841
Total comprehensive (loss)/income for the period	–	(65)	(95)	(160)	1	(159)
Treasury shares acquired	(1)	–	–	(1)	–	(1)
Recognition of share-based payment	–	4	–	4	–	4
Utilisation of share-based payment reserve	21	(21)	–	–	–	–
Dividends declared and paid	–	–	–	–	(31)	(31)
Balance at 31 December 2023	2 715	894	(1 958)	1 651	3	1 654

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the six months ended 31 December 2023

R millions	6 months ended 31 December 2023	Restated 6 months ended 31 December 2022*	Annual 30 June 2023
Revenue²			
Bombela	–	–	–
Power, Industrial & Water	894	462	1 331
– Construction contracts	894	337	881
– Sale of goods	–	125	450
Mining	5 664	5 429	11 126
– Construction contracts	5 528	5 328	10 834
– Rendering of services	128	101	292
– Other	8	–	–
Corporate & Properties	–	1	3
– Properties	–	1	3
Continuing operations	6 558	5 892	12 460
Middle East	–	–	–
Mining Australia	–	2 047	2 070
– Construction contracts	–	2 040	2 040
– Other	–	7	30
Clough	–	9 858	9 858
– Construction contracts	–	9 245	9 245
– Other	–	613	613
Other	94	–	36
– Construction contracts	94	–	36
Discontinued operations	94	11 905	11 964
Continuing operations			
Profit/(loss) before interest and taxation³			
Bombela	–	17	30
Power, Industrial & Water	6	(37)	(47)
Mining	181	181	313
Corporate & Properties	(84)	(72)	(205)
Profit before interest and taxation	103	89	91
Interest expense	(90)	(138)	(281)
Interest income	15	4	14
Profit/(loss) before taxation	28	(45)	(176)
Taxation	(81)	(65)	(106)
Loss from continuing operations	(53)	(110)	(282)
Discontinued operations			
(Loss)/profit before interest and taxation³			
Middle East	(26)	(10)	(198)
Clough	–	(1 266)	45
Mining Australia	–	115	(1 266)
Other	19	(25)	(56)
Loss before interest and taxation	(7)	(1 186)	(1 475)
Interest expense	–	(33)	(37)
Interest income	–	5	10
Loss before taxation	(7)	(1 214)	(1 502)
Taxation expense	–	(101)	(83)
Loss from discontinued operations	(7)	(1 315)	(1 585)
Loss on loss of control of MRPL Group and Insig (note 4)	–	(1 108)	(1 157)
Derecognition of net asset value	–	(2 356)	(2 407)
Translation of foreign entities reclassified through profit or loss on derecognition	–	1 248	1 250
Related costs of voluntary administration (note 4)	(34)	–	(155)
Loss from discontinued operations per the statement of financial performance	(41)	(2 423)	(2 897)

² Revenue is disclosed net of inter-segmental revenue. Inter-segmental revenue for the Group is Rnil million (HY2023: R86 million).

³ The chief operating decision makers, being the Group Executives, utilise profit/(loss) before interest and taxation in the assessment of a segment's performance.

* Restated for liquidation of Insig. Refer to note 4 for further details.

CONDENSED SEGMENTAL ASSETS (CONTINUING & DISCONTINUED)

as at 31 December 2023

R millions	6 months to 31 December 2023	Restated 6 months to 31 December 2022*	Annual 30 June 2023
Bombela	–	1 330	–
Power, Industrial & Water	644	715	793
Mining	4 806	4 620	4 967
Corporate & Properties ⁴	118	173	113
Continuing operations	5 568	6 838	5 873
Discontinued operations⁵	1 104	1 299	1 121
	6 672	8 137	6 994
Reconciliation of segmental assets			
Total assets	7 927	8 934	8 387
Deferred taxation assets	(79)	(84)	(93)
Current taxation assets	(33)	(31)	(36)
Cash and cash equivalents	(1 143)	(682)	(1 264)
	6 672	8 137	6 994

CONDENSED SEGMENTAL LIABILITIES (CONTINUING & DISCONTINUED)

as at 31 December 2023

R millions	6 months to 31 December 2023	Restated 6 months to 31 December 2022*	Annual 30 June 2023
Bombela	–	180	–
Power, Industrial & Water	625	629	713
Mining	3 188	2 325	3 235
Corporate & Properties ⁴	531	1 043	740
Continuing operations	4 344	4 177	4 688
Discontinued operations⁵	1 143	1 251	1 207
	5 487	5 428	5 895
Reconciliation of segmental liabilities			
Total liabilities	6 273	5 849	6 546
Deferred taxation liabilities	(144)	(88)	(147)
Current taxation liabilities	(36)	(33)	(25)
Bank overdrafts	(606)	(300)	(479)
	5 487	5 428	5 895

⁴ Corporate segmental assets and liabilities include the inter-segment eliminations of group balances and transactions.

⁵ Discontinued operations include the MRPL Group and Insig, Middle East Operations as well as retained assets and liabilities, following the sale of Genrec Operations and the Southern African Infrastructure & Building businesses.

NOTES

1. BASIS OF PREPARATION

The Group operates in the mining and power, industrial & water markets and as a result the revenue is not seasonal in nature but is influenced by the nature of the contracts that are currently in progress. Refer to commentary for a more detailed report on the performance of the different operating platforms within the Group.

The condensed consolidated interim financial statements for the period ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standard IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The condensed consolidated interim financial statements were compiled under the supervision of DF Grobler CA(SA), Group financial director.

The accounting policies applied in the preparation of these results are in accordance with International Financial Reporting Standards ("IFRS") and are consistent in all material respects with those applied in the audited consolidated financial statements for the year ended 30 June 2023. IFRS 17 (Insurance Contracts) has been implemented in the current financial year and had no material impact on the Group.

The independent auditor's review has been conducted in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information performed by the Independent Auditor, PricewaterhouseCoopers Inc. Their review report includes an emphasis of matter paragraph in respect of the matter disclosed in note 18, and an unmodified review conclusion, and is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's review report does not report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial statements from the registered office.

The information presented in the condensed consolidated interim financial statements represents reviewed results for the six-month period ended 31 December 2023. The comparative information presented in respect of the year ended 30 June 2023, has been derived from the audited consolidated annual financial statements for the year then ended, and in respect of the six-months ended 31 December 2022, has been derived from the reviewed condensed consolidated interim financial statements for the period then ended. Comparative information has been restated for discontinued operations where required (refer to note 4 for further details). A copy of the auditor's report, together with the audited consolidated annual financial statements for the year ended 30 June 2023, is available for inspection at the registered office.

2. REVENUE

2.1 REVENUE IN TERMS OF TYPE OF GOOD OR SERVICE FOR THE GROUP'S CONTINUING OPERATIONS HAS BEEN RECOGNISED AS FOLLOWS:

R millions	31 December 2023	31 December 2022*	30 June 2023
Construction contracts (over time)	6 422	5 672	11 715
Sale of goods (point in time)	8	125	450
Rendering of services (over time)	128	94	292
Properties (over time)	—	1	3
	6 558	5 892	12 460

Revenue is recognised at a point in time for the sale of goods and over time for all other categories of revenue.

2.2 REVENUE IN TERMS OF GEOGRAPHIC REGION FOR THE GROUP'S CONTINUING OPERATIONS HAS BEEN RECOGNISED AS FOLLOWS:

R millions	31 December 2023	31 December 2022*	30 June 2023
South Africa	2 822	2 255	5 129
Rest of Africa	82	161	227
Australasia & South East Asia	3	18	23
North America & other	3 651	3 458	7 081
	6 558	5 892	12 460

Refer to the Condensed Consolidated Segmental Analysis for revenue disaggregation per platform.

* Restated for liquidation of Insig. Refer to note 4 for further details.

3. PROFIT BEFORE INTEREST AND TAXATION

R millions	31 December 2023	31 December 2022*	30 June 2023
Items by function			
Revenue	6 558	5 892	12 460
Cost of sales	(5 875)	(5 292)	(11 163)
Distribution and marketing costs	(7)	(9)	(22)
Administration costs	(605)	(578)	(1 406)
Other operating income	32	76	222
Profit before interest and taxation	103	89	91

Depreciation of R150 million is included in cost of sales and R24 million in administration costs. Amortisation of R10 million is included in cost of sales and R2 million in administration costs. Expected credit losses of R40 million is included in administration costs.

* Restated for liquidation of Insig. Refer to note 4 for further details.

4. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The discontinued operations comprise the Middle East Operations, the Southern Africa Infrastructure & Buildings Platform and Genrec.

MIDDLE EAST OPERATIONS

The Middle East Operations were classified as a discontinued operation in the 2020 financial year as a result of being abandoned, as defined in terms of IFRS 5. By 30 June 2021, the discussions to dispose of the Middle East Operations had progressed to an advanced stage of negotiations and as a result thereof these companies met the criteria, in terms of IFRS 5, to be classified as a disposal group held for sale. The sale and purchase agreement to dispose of the operations was subsequently executed on 30 August 2021. At 31 December 2023, the sale and purchase transaction had not concluded, as it is pending conclusion of ongoing litigation and regulatory approval. The long stop date has therefore been extended to 15 March 2024. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5, even though the one-year period has been exceeded as the delay in sale is due to circumstances beyond the Group's control.

In relation to the Al Mafrag Hospital project in Abu Dhabi, the claim made and summons issued by a UAE-based bank ("the bank") for AED150 million against Murray & Roberts Limited on the strength of a Parent Company Guarantee continues in the High Court of South Africa. In addition to lodging its notice of intention to defend itself against the claim and summons, Murray & Roberts Limited has joined the client in Abu Dhabi in the case, which according to legal advisors and counsel, strengthens Murray & Roberts Limited's position. The legal process in South Africa is expected to be protracted and will take several years to conclude.

Included in the current year loss from discontinued operations are operating costs of R26 million incurred mainly on legal fees.

MRPL GROUP AND INSIG

In the prior year, the MRPL Group and Insig were operations that were discontinued and have been deconsolidated from the Murray & Roberts Group. These discontinued operations comprise Mining Australia (RUC Cementation Mining Group ("RUC") and Insig Technologies ("Insig")), the Energy, Resources & Infrastructure Platform (Clough Limited Group ("Clough")), Murray & Roberts Pty Limited ("MRPL"), together referred to as "MRPL Group and Insig".

Insig, which formed part of Mining Australia (RUC and Insig), went into liquidation on 16 June 2023 and reported under discontinued operations from the start of the comparative period for the Consolidated Statement of Financial Performance and the Consolidated Statement of Cash Flows up to 16 June 2023 respectively in the annual financial statements for the year ended 30 June 2023. As a result, the Condensed Consolidated Statement of Financial Performance and the Cash Flows from discontinued operations for the six months ended 31 December 2022 were restated to report Insig under discontinued operations.

In the prior financial year, the loss of control of the MRPL Group and Insig resulted in a loss of R2,4 billion on deconsolidation of the net asset value and a reclassification of foreign currency translation reserve ("FCTR") profit of R1,2 billion. This has been disclosed as a Loss on loss of control of MRPL Group and Insig of R1,2 billion below. The operating losses, disclosed as "Loss from discontinued operations" of R1,6 billion includes a Clough trading loss of R1,3 billion and a RUC and Insig trading profit of R45 million. Related costs as a result of the voluntary administration are a further expense attributable to discontinued operations of R34 million (FY2023: R155 million).

SOUTHERN AFRICA INFRASTRUCTURE & BUILDINGS PLATFORM AND GENREC

During the 2017 financial year, the Group disposed of its South African construction businesses held within the Southern Africa Infrastructure & Buildings Platform and Genrec. These businesses formed a separate major line of business that was disposed of and constituted a discontinued operation in terms of IFRS 5. As part of the disposal, certain assets and liabilities of the business, relating to ongoing litigation matters were retained in the Group. These items continue to be reported under discontinued operations until the matters are closed out.

4. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE continued

4.1 RESULTS FROM DISCONTINUED OPERATIONS

R millions	31 December 2023	31 December 2022*	30 June 2023
Revenue	94	11 905	11 964
Loss before interest, depreciation and amortisation	(7)	(818)	(1 104)
Depreciation	–	(341)	(344)
Amortisation of intangible assets	–	(27)	(27)
Loss before interest and taxation	(7)	(1 186)	(1 475)
Interest expense	–	(33)	(37)
Interest income	–	5	10
Loss before taxation	(7)	(1 214)	(1 502)
Taxation	–	(101)	(83)
Loss after taxation	(7)	(1 315)	(1 585)
Loss from equity accounted investments	–	–	–
Loss from discontinued operations	(7)	(1 315)	(1 585)
Loss on loss of control of MRPL Group and Insig	–	(1 108)	(1 157)
Derecognition of net asset value	–	(2 356)	(2 407)
Translation of foreign entities reclassified through profit or loss on derecognition	–	1 248	1 250
Related costs of voluntary administration	(34)	–	(155)
Loss from discontinued operations per the statement of financial performance	(41)	(2 423)	(2 897)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	(41)	(2 423)	(2 897)
– Non-controlling interests	–	–	–
	(41)	(2 423)	(2 897)

4.2 CASH FLOWS FROM DISCONTINUED OPERATIONS INCLUDE THE FOLLOWING:

R millions	31 December 2023	31 December 2022*	30 June 2023
Cash flow from operating activities	(40)	(151)	(359)
Cash flow from investing activities	–	(1 562)	(1 554)
Cash flow from financing activities	–	(230)	381
Net decrease in cash and cash equivalents	(40)	(1 483)	(1 532)

4.3 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE:

The assets and liabilities classified as held for sale below relate mainly to the Middle East Operations as well as Cementation Africa where property, plant and equipment has been classified as held for sale after meeting the requirements of IFRS 5.

R millions	31 December 2023	31 December 2022	30 June 2023
Major classes of assets comprising the assets held for sale			
Property, plant and equipment	41	82	68
Other receivables	5	4	6
Amounts due from contract customers	951	883	979
Cash and cash equivalents	45	14	12
	1 042	983	1 065

R millions	31 December 2023	31 December 2022	30 June 2023
Major classes of liabilities comprising the liabilities held for sale			
Trade and other payables	169	123	155
Subcontractor liabilities	8	6	8
Short-term borrowings	828	752	818
	1 005	881	981

* Restated for liquidation of Insig.

5. DISPOSAL OF AARDEN SOLAR

The Group, through its wholly owned subsidiary Murray & Roberts Ltd ("MRL"), entered into a Sale of Business Agreement with Main Road Centurion 30311 (Pty) Ltd ("the Acquirer"), in terms of which MRL will dispose of its 80% interest in Aarden Solar, a joint operation. Aarden Solar required further investment to support its growth trajectory, which the Acquirer will provide. As a wholesale business, Aarden Solar is not strategic to Murray & Roberts. The transaction consideration is R73 million and will be applied to MRL's working capital requirements.

On 22 August 2023, the disposal of the investment in Aarden Solar became effective resulting in the derecognition of the assets and liabilities in the current financial period.

The Aarden Solar operation formed a part of the Power, Industrial & Water ("PIW") reportable segment. The operation did not meet the criteria to be classified as a discontinued operation as the Aarden Solar business did not represent a separate major line of business, nor did it represent a major geographical area of operation.

In the Group accounts, Aarden Solar financial information has been derecognised with effect from 22 August 2023. The purchase price of the investment in Aarden Solar per the sale agreement amounted to R73 million. The net asset value of Aarden Solar amounted to R69 million. Consequently, resulting in a profit of R4 million recognised in the Condensed Consolidated Statement of Financial Performance for the period ended 31 December 2023.

R millions	Total
Non-current assets	
Property, plant and equipment	1
Total	1
Current assets	
Inventories	73
Trade and other receivables	33
Total	106
Total assets	107
Current liabilities	
Amounts due to contract customers	38
Total	38
Total liabilities	38
Net assets	69
Consideration received	73
Profit on disposal of Aarden Solar	4

6. WEIGHTED AVERAGE NUMBER OF SHARES

	31 December 2023	31 December 2022	30 June 2023
Number of ordinary shares in issue ('000)	444 736	444 736	444 736
Reconciliation of weighted average number of shares in issue ('000)			
Weighted average number of ordinary shares in issue	444 736	444 736	444 736
Less: Weighted average number of shares held by the Letsema BBBEE trusts	(24 910)	(25 198)	(25 055)
Less: Weighted average number of shares held by the share incentive schemes	(14 240)	(16 481)	(16 566)
Weighted average number of shares in issue used in the determination of basic per share figures	405 586	403 057	403 115
Add: Dilutive adjustment	1 358	647	5 299
Weighted average number of shares in issue used in the determination of diluted per share figures	406 944	403 704	408 414

7. HEADLINE LOSS

R millions	31 December 2023	31 December 2022*	30 June 2023
Loss attributable to owners of Murray & Roberts Holdings Limited	(95)	(2 529)	(3 181)
Profit on disposal of property, plant and equipment	(12)	(5)	(17)
Profit on disposal of Aarden Solar	(4)	–	–
Impairment of associate	–	–	2
Impairment of property, plant and equipment	–	–	10
Impairment of goodwill	–	126	126
Compensation income from insurance	–	–	(2)
Loss on loss of control of subsidiaries	–	2 356	2 407
Translation of foreign entities reclassified through profit or loss on derecognition	–	(1 248)	(1 250)
Taxation effects on adjustments	4	1	–
Headline loss	(107)	(1 299)	(1 905)
<i>Adjustments for discontinued operations:</i>			
Loss from discontinued operations	41	2 423	2 897
Profit on disposal of property, plant and equipment	–	4	5
Impairment of goodwill	–	(126)	(126)
Loss on loss of control of subsidiaries	–	(2 356)	(2 407)
Translation of foreign entities reclassified through profit or loss on derecognition	–	1 248	1 250
Taxation effects on adjustments	–	(1)	(2)
Headline loss from continuing operations	(66)	(107)	(288)
Headline loss per share from continuing and discontinued operations (cents)			
– Diluted	(26)	(322)	(473)
– Basic	(26)	(322)	(473)
Headline loss per share from continuing operations (cents)			
– Diluted	(16)	(27)	(71)
– Basic	(16)	(27)	(71)

* Restated for liquidation of Insig. Refer to note 4 for further details.

8. GOODWILL

R millions	31 December 2023	31 December 2022	30 June 2023
Goodwill	461	415	471
Accumulated impairment losses	(29)	–	(29)
	432	415	442
At beginning of period	442	1 372	1 372
Acquisition of businesses [^]	–	5	5
Loss of control of subsidiaries*	–	(859)	(868)
Foreign exchange movements	(10)	23	59
Impairment	–	(126)	(126)
	432	415	442

[^] Acquisition of business relates to the acquisition of Turan which was subsequently disposed of as part of the MRPL voluntary administration.

* The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration and the liquidation of Insig. Refer to note 4 for further details.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. No goodwill has been impaired in the current period.

9. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

R millions	31 December 2023	31 December 2022	30 June 2023
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	808	889	989
Uncertified claims and variations	340	375	445
Amounts receivable on contracts (net of impairment provisions)	1 419	1 407	1 338
Retentions receivable (net of impairment provisions)	364	244	193
	2 931	2 915	2 965
Amounts received in excess of work completed [^]	(886)	(696)	(702)
	2 045	2 219	2 263
<i>Disclosed as:</i>			
Amounts due from contract customers	2 931	2 915	2 965
Amounts due to contract customers	(886)	(696)	(702)
	2 045	2 219	2 263

[^]The Group uses legal experts, engineers and quantity surveyors to assess and apply probabilities when necessary in determining the amounts to be recognised relating to underclaims, uncertified revenue and contract debtors. The recoverability of amounts recognised are considered highly probable and where amounts are not considered to be highly probable, such amounts are impaired. The assessment of recoverability and impairment of the amounts due from contract customers has been performed. The impairments recognised in the current year were not significant. The Group remains confident that revenue recognised as uncertified will be certified and paid once attendant commercial matters have been resolved.

10. OTHER NON-CURRENT ASSETS

R millions	31 December 2023	31 December 2022	30 June 2023
Other non-current assets comprise the following:			
Intangible assets excluding goodwill	295	289	311
Other investments	2	2	1
	297	291	312

11. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and interest-bearing borrowings.

The fair value of the Group's financial instruments approximate their carrying values as at 31 December 2023.

R millions	31 December 2023	31 December 2022	30 June 2023
Categories of financial instruments			
Financial assets			
Financial assets at fair value through profit or loss (level 3)	–	1 329	–
Financial assets measured at amortised cost	3 071	2 818	2 981
Financial assets measured at amortised cost – held for sale	997	897	992
Financial liabilities			
Financial liabilities measured at amortised cost	3 624	3 973	4 047
Financial liabilities measured at amortised cost – held for sale	1 005	881	981

11.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

R millions	31 December 2023	31 December 2022	30 June 2023
At beginning of period	–	1 442	1 442
Realisation of investment	–	(130)	(255)
Fair value adjustment recognised in the statement of financial performance	–	17	30
Disposal of investment ⁶	–	–	(1 217)
	–	1 329	–

⁶ The Group completed the transaction relating to the disposal of its investment in the Bombela Concession Company ("BCC") on 3 April 2023.

12. CONTINGENT LIABILITIES

As a contracting Group, Murray & Roberts is in the ordinary course of its business involved in various disputes, a number of which arise when operations and projects are closed out and finalised. Depending on the merits, disputes can translate into claims and legal proceedings, which Murray & Roberts always rigorously defends. Where Murray & Roberts, in consultation with its legal advisors and counsel, believes the claims are predicated on weak and/or spurious grounds, and Murray & Roberts has sound and strong defences, no provision is made for any such claim, and they are aggregated and disclosed as contingent liabilities. In relation to contingent liabilities, the reduction noted is due to a resolution of certain claims. The Board does not believe that adverse decisions in any pending proceeding or claims against the Group will have a material adverse effect on the financial condition or future of the Group. The Group does not account for any potential contingent liabilities where a back-to-back arrangement exists with the clients or subcontractors and there is a legal right to offset (R1,6 billion).

R millions	31 December 2023	31 December 2022	30 June 2023
Contingent liabilities	2 806	2 615	3 005
Financial institution guarantees given to third parties ⁵	2 363	3 234	2 522

⁵ Until the airport claim in the Middle East is resolved, which is now 15 years post delivery of the project, through existence of a Parent Company Guarantee, the Group has a potential contingent liability for any adverse determination against the Group by a Tribunal. No such tribunal has been established and it is the Group's expectation that the matter should be resolved in its favour. No amount is included above due to the unlikelihood of any such claim and no tribunal being established to determine any such amount.

13. DIVIDEND

The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end. Considering the Group's current liquidity constraints, a dividend will not be declared this year.

14. COVENANTS

The Group has covenants in Cementation Canada Inc. and its South African operations.

The deconsolidation of MRPL, Clough and RUC had an impact on covenant triggers and cash flows for the twelve-month measurement period ended 31 December 2023. As a result, the South African Group would have been in breach of covenants in place for the term loan with the South African lender consortium as at 31 December 2023. A covenant measurement waiver was therefore obtained for the measurement period of 31 December 2023. It was also agreed that the covenants would be renegotiated, considering the current Group structure.

The covenants for each of these respective entities have been reflected in the table below:

Facility	SA Lenders – SA Group	Toronto Dominion Bank Facility – Cementation Canada Inc.
Covenant Trigger and Proximity to being breached	<p>1) Interest Cover: Requirement – equals or exceeds 3.20x; Actual – 1.26x</p> <p>2) Debt to EBITDA: Requirement – does not exceed 3.25x; Actual – 4.98x</p> <p>3) Overdraft Facility Headroom: Requirement – equals or exceeds R50 million on a six-month forward looking basis; Actual – Six month forecast indicate headroom equals or exceeds R50 million</p> <p>4) Unprovided for Capital Expenditure: Requirement – does not exceed R10 million; Actual – R0 million</p> <p>5) Guarantor Threshold Test: (i) Requirement – Aggregate EBITDA and Revenue the Obligors (excl. MRUK) greater than 90% of the aggregated EBITDA and Revenue of SA Group; Actual – 99% (ii) Requirement – Gross assets of the Obligors (excl. MRUK) greater than 85% of aggregated gross assets of the SA Group; Actual – 99%</p> <p>A covenant measurement waiver was obtained for the measurement period of 31 December 2023.</p>	<p>1) Current Ratio: Requirement – equals or exceeds 1.25:1; Actual – 1.67:1</p> <p>2) Debt Service Coverage Ratio: Requirement – equals or exceeds 1.25:1; Actual – 2.33:1</p> <p>3) Total Funded Debt/ EBITDA Ratio: Requirement – does not exceed 2.5:1; Actual – 0.98:1</p> <p>4) Concentration of EBITDA and fixed assets in Obligors: Requirement – minimum of 100%; Actual – 102%</p> <p>5) Capital Expenditures: Requirement – maximum of CAD40 million; Actual – CAD27,6 million</p> <p>6) Investments: Requirement – maximum of CAD15 million; Actual – CAD13,3 million</p> <p>7) Acquisitions: Requirement – maximum of CAD25 million; Actual – CADnil</p> <p>Sufficient headroom deemed available for all debt covenants reflected above.</p>

The Board reviews the Group's debt usage and considers the risk thereof. The Group is subject to externally imposed capital requirements in the form of financial covenants which are actively managed by the Board.

15. SUPPLEMENTARY INFORMATION

	31 December 2023	31 December 2022	30 June 2023
Net asset value per share (Rands)	4	5	4
Dividends per share (cents)	–	–	–

16. RELATED PARTY TRANSACTIONS

There have been no significant changes to the nature of related party transactions since 30 June 2023 or any transactions outside the normal course of business.

17. PRIOR PERIOD RESTATEMENT

In the prior year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents and identified that a portion of the bank overdraft did not fluctuate in the current and prior financial year from being overdrawn to a positive balance. It has therefore been concluded that the bank overdraft no longer formed an integral part of the Group's cash management, and instead represents a form of financing and the related cash flow movements should be presented as cash flows from financing activities.

The errors noted above resulted in the Condensed Consolidated Statement of Cash Flows being restated as per below:

Condensed Consolidated Statement of Cash Flows for the six months ended 31 December 2022

R millions	Previously reported	Adjustment	Restated
Cash flows from operating activities	(407)	–	(407)
Cash flows from investing activities	(1 520)	–	(1 520)
Cash flows from financing activities	1 515	(1 080)	435
Net Acquisition of treasury shares	(16)	–	(16)
Net movement in borrowings	1 531	–	1 531
Net movement in bank overdraft	–	(1 080)	(1 080)
– Overdraft drawdowns	–	810	810
– Overdraft repayments	–	(1 890)	(1 890)
Total decrease in net cash and cash equivalents	(412)	(1 080)	(1 492)
Net cash and cash equivalents at beginning of year	743	1 380	2 123
Effect of exchange rates	65	–	65
Net cash and cash equivalents at end of year^a	396	300	696
^a Cash and cash equivalents balance comprises:			
– Cash	682	–	682
– Reclassification to held for sale	14	–	14
– Overdraft	(300)	300	–

18. GOING CONCERN

DEVELOPMENTS IN THE BUSINESS

The voluntary administration of the Group's companies in Australia in December 2022, which followed the devastating impact of COVID-19 on Clough Limited, left the Group as a much smaller business. Today, Murray & Roberts is an engineering and contracting services company to the Africa and Americas underground mining markets, and to the renewable energy and power infrastructure markets in Sub-Saharan Africa.

Cementation Africa and Americas

The Group's mining business generates most of its revenue and earnings, and is diversified across the northern and southern hemispheres, trading under the Cementation brand. Cementation Americas is one of the market leaders in the North American market and Murray & Roberts Cementation in the Southern African market.

Power, Industrial & Water ("PIW")

During the financial period ended 31 December 2023, the PIW business experienced more favourable market conditions, returning to profitability and its order book is reflective of opportunities in the renewable energy and transmission market sectors.

Middle East Operations

In relation to the Al Mafraq Hospital project in Abu Dhabi, delivered by a joint operation in which Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) is a 30% member, the Review Application lodged with the Court of Cassation was unsuccessful and based on new evidence that had come to light, a review application was lodged with the Court. That application has failed, and the Sale and Purchase Agreement for the sale of MRCAD remains on foot on this basis.

The claim made and summons issued by a UAE-based bank ("the bank") for AED150 million against Murray & Roberts Limited on the strength of a Parent Company Guarantee continues in the High Court of South Africa. In addition to lodging its notice of intention to defend itself against the claim and summons, Murray & Roberts Limited has joined the client in Abu Dhabi in the case, which according to legal advisers and counsel, strengthens Murray & Roberts Limited's position. The legal process in South Africa is expected to be protracted and will take several years to conclude.

OVERDRAFT AND TERM DEBT FACILITIES

The Group concluded a debt refinancing and restructuring process with four South African banks in November 2022 resulting in an overdraft facility of R0,65 billion and a term loan of R1,35 billion totalling a combined facility of R2 billion.

As at 30 June 2023, R0,35 billion of the term loan facility was outstanding, after utilising R1 billion of the proceeds arising from the sale of the Group's 50% shareholding in the Bombela Concession Company in April 2023.

In the six months ended 31 December 2023, the term loan facility was reduced to R0,12 billion utilising cash received following the agreement of new commercial terms on one of the Group's mining projects in South Africa and the sale of a non-strategic investment in Aarden Solar.

Following a dividend received in January 2024 from the Group's international mining subsidiaries, the term loan was fully repaid, and the overdraft facility reduced to circa R400 million. Cementation Americas renewed its banking facilities resulting in obtaining a CAD35 million amortising term facility, which provided for the payment of dividends to Murray & Roberts Limited, in support of the deleveraging initiatives.

The final milestone in the deleveraging plan is to refinance the remaining South African debt held with the current consortium of South African banks. The refinancing process has commenced and is expected to conclude by June 2024.

A covenant measurement waiver was obtained for the twelve-month measurement period ended 31 December 2023, as the deconsolidation of MRPL, Clough and RUC negatively impacted the Group's ability to meet the covenants that were agreed with the four South African banks for its South African operations. If financial covenants were assessed for the twelve-month measurement period ended 31 December 2023, covenants would not have been met. It was also agreed with the banks that the covenants would be renegotiated, considering the current Group structure. Based on the covenant waiver obtained, the Group did not breach its covenants at 31 December 2023.

The Group performed a going concern assessment for half year reporting purposes, taking the above developments into consideration.

CASH FLOW FORECASTS

The Group is dependent on the utilisation of the overdraft facility to meet its liquidity requirements. Cash flow forecasts for each of the remaining businesses to the end of the 2025 financial year have been prepared and subsequently stress-tested for key judgements and assumptions relating to forecast revenue and project margins, the secured and unsecured order book and the timing of cash flows. Based on these cash flow forecasts, the Group has considered the following in assessing its liquidity needs and ongoing working capital requirements, its ability to repay the overdraft facility, and its ability to continue as a going concern:

- **Overdraft Facility:** The South African Group requires a second dividend payment from its international mining subsidiaries prior to June 2024, which will further bolster the liquidity position of the South African operations. Based on forecasts, these international mining subsidiaries are expected to generate sufficient cash inflows to be able to declare the dividend and repay the instalments of the renewed term facility in Canada. The final milestone of the deleveraging plan is to refinance the remaining South African debt held with the four South African lenders. The refinancing process has commenced, and as per agreement with the South African lenders, is to be concluded with settlement of the current outstanding overdraft facility by no later than 30 June 2024.
- **Banking Facilities:** As at 31 December 2023, the Group had the following facilities in place:
 - Direct banking facilities in South Africa in place of R1,2 billion, with R0,2 billion of unutilised facilities available.
 - Direct foreign banking facilities in place of R1,4 billion with R1,0 billion of unutilised facilities available.
 - Indirect local banking facilities in place of R2,1 billion with R0,4 billion of unutilised facilities available. Currently, the four South African lending banks are only permitting drawdowns against the overdraft facilities. However, the remaining facilities which are currently fully drawn are not available for utilisation as they reduce, and the Group is exploring alternative facility providers.
 - Indirect foreign banking facilities in place of R1,1 billion with R0,4 billion of unutilised facilities available. Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations
- **Order Book:** The Group has a healthy secured order book which includes high-profile, multi-year projects.
- **Outstanding Claims:** There are several unresolved and long outstanding claims, some of which are expected to be settled within the next 12 months.
- **Working Capital Management:** The Group is constantly reviewing working capital utilisation on projects and seeking ways to improve working capital management, which include the conversion of certain contracts to new, less onerous commercial arrangements.
- **Deleveraging Plan:** The Group is working closely with the South African lenders to meet their deleveraging expectations and is assisted by Deloitte as financial advisors in this regard, establishing a sustainable capital structure and associated cost reduction. In conjunction with the dividend receipt from its international mining subsidiaries, as well as the South African debt refinancing process underway, the Group is in the process of implementing the following changes in line with the deleveraging plan:
 - Rationalisation of the Group's organisational structure;
 - Reduction of the headcount at the Group corporate office;
 - Reduction in IT expenditure and;
 - Reduction of the floor space utilised by the South African operations

CONCLUSION

The Group is confident that it would be able to implement the actions outlined above, for it to realise its assets and discharge its liabilities in the normal course of business. As at the date of the financial statements, should these actions not achieve the desired outcome, especially as it relates to the inflow of sufficient dividends from its international mining subsidiaries to bolster liquidity, or the inability to secure refinancing to facilitate the repayment of the remaining South African debt, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. As a result, these conditions give rise to a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

19. EVENTS AFTER REPORTING DATE

Subsequent to period end, the Board approved the restructuring plan in establishing a sustainable capital structure and associated cost reduction. The Group's organisational structure has been rationalised and will no longer be structured around 'business platforms' but around four operating companies:

- OptiPower (Sub-Saharan Africa)
- Murray & Roberts Cementation (predominantly Africa)
- Cementation Americas (predominantly The Americas)
- TNT Inc. (predominantly The Americas)

The above restructure and corporate cost reduction initiatives resulted in retrenchments which were communicated in February 2024. The retrenchment obligation is expected to be circa R15 million. This is deemed to be a non-adjusting event as the plan was approved post period end.

The directors are not aware of any other matter or circumstance, other than noted above, arising since the end of the financial period not otherwise dealt with in the Group interim results which significantly affects the financial position as at 31 December 2023 or the results of its operations or cash flows for the period then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period in the normal course of business and did not have a material impact on the current financial period results.