

**UNAUDITED GROUP RESULTS FOR THE PERIOD ENDED
31 AUGUST 2017**

Registration number: 1998/024741/06

Share code: INQO

ISIN number: ZAU000014391

CHAIRMAN AND CHIEF EXECUTIVE STATEMENT

Inqo Investments Limited ('Inqo' or 'the Company') is a South African based social impact company that acquires and invests in businesses that tackle poverty and the social needs of low income earners at the base of the economic pyramid in Sub-Saharan Africa.

COMMENTARY

The process that the group started in 2014 to consolidate its financial position was concluded in the 2016/7 year which meant that the group started this 2017/8 financial year with no debt leading to the group being able to produce a stronger balance sheet.

The results for the six months reflected a loss after tax of R4,045,783 (August 2016 a profit of R6,989,880) of which R1,029,799 was for depreciation. The results for the first half of the last financial year 2016/7 were buoyed by a once off write back of interest on renegotiated loans, which were settled in April 2016.

Inqo's revenues are derived primarily from its main subsidiary, the Kuzuko Lodge. In the first six months of this year, revenues have grown to R7,605,499 (2016: R5,324,300) a rise of 43%. This is a marked improvement in trading given that these financial results cover the low season period.

INVESTEE COMPANIES
Kuzuko Lodge (South Africa)

The Lodge traded at a loss for the six months to date reflecting a loss of R 2,006,939 (August 2016 six month period R1,864,204). Trading in the six month period to date has improved year on year and improved occupancy levels are anticipated for the rest of the 2017/8 high season as shown by the advanced bookings currently in the system and already prepaid.

Annual occupancy to date at 31 August 2017 reflects a 20% improvement compared to 2016 while the average room rate shows a 51% improvement over 2016.

The Kuzuko Foundation supported 100 pupils from township schools on a day visit to the Kuzuko Educational Park. The Foundation is supported by donors as well as guests at Kuzuko Lodge.

Spekboom Trading (South Africa)

We continue our interaction with the Department of Environmental Affairs (DEA) to obtain a further reforestation grant to extend the planting of spekboom on the Kuzuko Game Reserve. When an agreement is reached with the DEA we will create some 100 new jobs in the local community. To date, the company has re-planted 500 acres of spekboom on degraded land.

Bee Sweet Honey (Zambia)

Inqo invested US\$ 60 000 in Bee Sweet Honey Limited, a Zambian exporter of honey. Bee Sweet currently have 90,000 bee hives in the field managed by 13 000 farmers. The harvest for the May 17 crop was 133 Metric tonnes with Inqo's share being 7.4 tonnes. Inqo earned its first revenue from the honey harvested in May 17.

Four-One Financial Services Limited (Uganda)

In April 2017, the company made an investment in Four-One Financial Services Limited, a Ugandan based company which manages the Mazima Voluntary Individual Retirement Benefits Scheme.

The Mazima Retirement Plan is the trading name of Mazima Voluntary Individual Retirement Benefits Scheme (MVIRBS). It is a retirement savings scheme for low income earners in the informal sector of the economy. The poor and informal workers do not currently have any formal retirement for such low income earners. Mazima is supervised by a group trustees and is licensed and regulated by the Uganda Retirements Benefits Regulatory Authority (URBRA), the government body that regulates all pension and retirement benefits schemes.

Four-One Financial Services is the management company responsible for marketing and administration of the Mazima retirement scheme. Savers register online and pay through mobile banking or e-banking through the bank. No cash is used. Each saver has his/her own account managed by the custodian bank, Housing Finance Bank. The investments are managed by AA Financial, a regulated advisor.

OUTLOOK

Inqo expects to benefit from improved trading from the Kuzuko Lodge operation and revenues from each of the Bee Sweet Honey Operation and the Four-One Financial Services Investment.

The occupancies and average room rates currently achieved at Kuzuko Lodge in the second six months of the 2017/8 year are very strong, with the Lodge experiencing higher than ever occupancy levels in the final quarter of 2017. This trend is expected to continue into 2018 on the back of the fact that the Rand remains weak against other currencies making South Africa an attractive destination of travel. Kuzuko Lodge is situated in a malaria free area and this factor is proving to be positive to the business as the Lodge is now experiencing a higher level of enquiries from potential North American visitors.

SUMMARY OF SOCIAL & ENVIRONMENTAL METRICS SINCE PROJECT COMMENCEMENT

- 39,000 acres of former farmland restored as a game reserve in a region of endemic poverty in the poorest province in South Africa.
- Increased VAT and income tax paid year on year, currently 55 fulltime and 12 part-time and contracted staff employed.
- All staff living at Kuzuko in standard housing with flush toilets, power, water and solar panels.
- Conservation of 3 endangered species.
- 100 pupils from township schools entertained on a day visit to the Kuzuko Educational Centre to learn about conservation in the period from June to August
- Reforestation of 500 acres of degraded land with spekboom providing work for 100 part time staff.
- 90,000 beehives in the field providing 13,000 farmers with increased income. 3000 of these hives are the property of Inqo.
- The Mazima Retirement Plan now has 830 active members having grown from 430 active members in August 2016.

STAFF

The directors would like to take this opportunity to thank all the operating staff in the group for their contribution and commitment to the group's objectives.

FINANCIAL INFORMATION

The financial information set out in this announcement does not constitute statutory financial statements. This financial information has been extracted from Inqo's unaudited condensed consolidated financial statements for the six months ended 31 August 2017.

KPMG has performed a review of the condensed consolidated interim financial statements for the six months ended 31 August 2017.

A copy of these condensed consolidated interim financial statements and KPMG's review report will be available at the Company's offices on 1 November 2017.

DIVIDEND

The company has not declared a dividend for the period ended 31 August 2017.

K.S Tan
Chairman

C.J Bertie
Chief Financial Office

Inqo Investments Limited Group
Condensed consolidated statement of profit or loss and other comprehensive income
For the six months ended 31 August 2017

	(Reviewed) Six Months ended 31 August 2017	Group (Reviewed) Six Months ended 31 August 2016	(Audited) Year ended 28 February 2017
	(6 months) R'000	(6 months) R'000	(12 months) R'000
Revenue	7 652	5 324	17 026
Cost of sales	(1 160)	(909)	(2 390)
Gross profit	6 492	4 415	14 636
Other income	-	13 977	14 042
Selling and administrative expenses	(11 095)	(8 251)	(19 457)
Operating (loss) / profit	(4 603)	10 141	9 221
Fair value adjustment	-	-	502
Net financing income	86	469	536
Finance income	101	495	581
Finance costs	(15)	(26)	(45)
(Loss) / profit before taxation	(4 517)	10 610	10 259
Taxation	471	(3 620)	(2 868)
(Loss) / profit for the year	(4 046)	6 990	7 391
Other comprehensive income			
	-	-	10 575
Revaluation of land	-	-	13 627
Deferred tax on revaluation	-	-	(3 052)
Total comprehensive income for the period	(4 046)	6 990	17 966
(Loss)/earnings per share (cents)	(0.29)	0.65	0.61
Diluted (loss)/earnings per share (cents)	-	0.65	0.58

Inqo Investments Limited Group
Condensed consolidated statement of financial position
At 31 August 2017

	(Reviewed) 31 August 2017 R'000	Group (Reviewed) 31 August 2016 R'000	(Audited) 28 February 2017 R'000
Assets			
Non-current assets	132 849	120 065	132 870
Property, plant and equipment	131 266	119 089	131 898
Intangible assets	14	22	18
Other Investments	1 013	954	954
Loan Receivables	556	-	-
Current assets	7 291	11 306	10 655
Inventories	663	584	486
Trade and other receivables	2 267	2 378	3 115
Biological assets	3 605	3 023	3 512
Cash and cash equivalents	756	5 321	3 542
Total assets	140 140	131 371	143 525
Equity and liabilities			
Capital and reserves			
Ordinary share capital	58 198	58 198	58 198
Share premium	58 228	58 228	58 228
Revaluation reserve	70 774	60 200	70 774
Accumulated loss	(62 186)	(58 319)	(58 786)
Equity attributable to equity holders of Inqo Investments Limited	125 014	118 307	128 414
Non-controlling interest	(472)	(695)	173
Total equity	124 542	117 612	128 587
Non-current liabilities	9 296	7 416	9 753
Loans from related parties	436	414	436
Other long term loans	580	552	566
Deferred taxation	8 087	6 257	8 558
Debentures	193	193	193
Current liabilities	6 302	6 343	5 185
Trade and other payables	6 050	5 088	4 933
Provision	252	252	252
Interest bearing loans and borrowings – current portion	-	1 003	-
Total liabilities	15 598	13 759	14 938
Total equity and liabilities	140 140	131 371	143 525

Inqo Investments Limited Group

Unaudited interim financial information for the six months ended 31 August 2017

Basis of preparation

The interim financial statements are prepared in accordance with IAS 34 Interim Financial Statements and the requirements of the Companies Act of South Africa and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 28 February 2017 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements.

The condensed financial information has been presented on the historical cost basis, except for financial instruments carried at fair value, and are presented in Rands which is Inqo Investment Ltd's functional and presentation currency.

This financial information has been extracted from Inqo's unaudited condensed consolidated interim financial statements for the six months ended 31 August 2017.

This financial information was prepared under the supervision of Mr C Bertie CA(SA), in his capacity as group financial director.

Inqo Investments Limited Group
 Summarised financial information
 For the six months ended 31 August 2017

	(Reviewed) Six Months ended 31 August 2017	Group (Reviewed) Six Months ended 31 August 2016	(Audited) Year ended 28 February 2017
	(6 months)	(6 months)	(12 months)
Earnings/(loss) per share			
(Loss)/earnings per share (cents)	(0.29)	0.65	0.61
Diluted (loss)/earnings per share (cents)	- *	0.65	0.58
(Loss)/profit attributable to equity shareholders (R'000)	(3 401)	7 551	7 085
Weighted average number of shares in issue for normalised EPS calculation	11 639 615	11 639 615	11 639 615
Weighted average number of shares in issue for diluted normalised EPS calculation	11 755 656	11 677 473	12 205 410

* Computation of the diluted earnings per share is anti-dilutive and therefore has not been computed.