YORK TIMBER HOLDINGS LIMITED

UNAUDITED CONDENSED
CONSOLIDATED INTERIM
FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

KEY FEATURES

Revenue decreased by 2% to
R882 MILLION

Adjusted EBITDA^ decreased by
R54 MILLION*

Cash generated from operations decreased by
R111 MILLION*

Biological asset value increased by 5% to
R2 657 MILLION

Net working capital increased by 21% to
R155 MILLION

Debt (including the Absa IMX facility) reduced by
R5,4 MILLION
Net debt stands at
R292 MILLION

Earnings per share decreased from 13,26 cents* to
5,64 CENTS

Headline earnings per share decreased from 13,27 cents* to
4,67 CENTS

Core earnings per share decreased from a loss of 2,62 cents* to a loss of
10,06 CENTS

Net asset value per share increased from 579 cents to
584 CENTS

No dividend has been declared for the six months ended 31 December 2023 (2022: Rnil)

* *The prior period figures have been restated. Refer to note 3.*

^ *Earnings before interest, taxation, depreciation, amortisation, impairment and fair value adjustment on biological assets.*

COMMENTARY

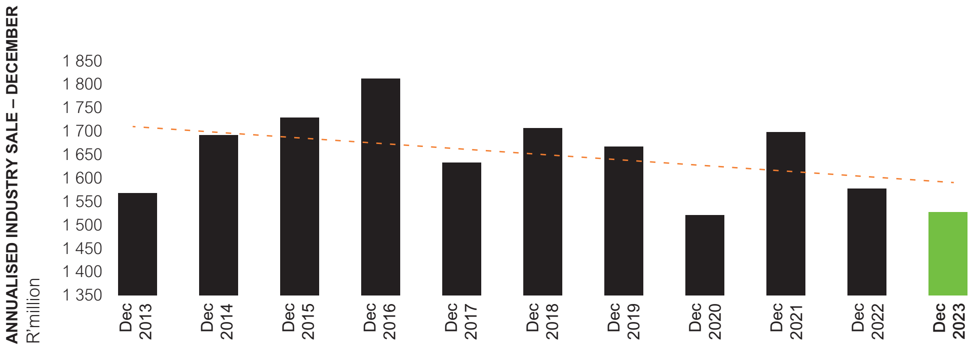
The six-month period ended 31 December 2023 continued to be a challenging period for York. While we have made progress with processing challenges at our Sabie mill and plywood plant, market demand and pricing for our products have been subdued. High raw material prices and unreliable log supply from the South African Forestry Company (SAFCOL) had a negative impact on the results.

To counter these challenges, we have brought forward the clearfell of low-yielding Pinus Taeda plantations and procured a mechanised harvesting system to increase production. This had a positive impact during the first two months of 2024, which we expect to continue.

PROCESSING DIVISION

Sawmills

York's results continue to reflect the state of the lumber market in Southern Africa. Industry sales for lumber are at its weakest level over the last decade (excluding the 2020 hard lockdown period in response to the COVID-19 pandemic) as can be seen on the graph below.



The declining sales volumes have resulted in sawmills closing, and York has mothballed two sawmills during this 10-year period. Profitability of our remaining sawmills has been impacted by zero price growth over the past two years. In comparison, SAFCOL's Pool 7 unpruned sawlog prices have increased on average by 17% over the same two-year period.

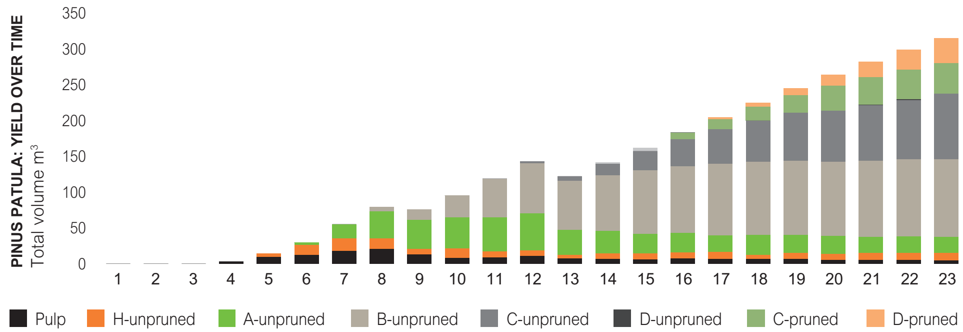
As a result, our sawmills traded at an EBITDA loss for the six months ended 31 December 2023.

PLYWOOD

Production of plywood decreased by 3% when compared to the six months ended 31 December 2022 (comparative period). Despite the improvements seen from the introduction of the 5S (short, straighten, shine, standardise and sustain) and FMEA (failure modes and effects analysis) principles at the plant bottleneck (dryer capacity), peeler downtime has increased. An end-of-life refurbishment of the peeler has been scheduled for April 2024 and we should see significant improvement in throughput to leverage the benefits seen at the dryers. Average selling prices for plywood have been 10% lower than the comparative period, with above-inflation increases in logs, utilities and wage-related expenses negatively impacting EBITDA that decreased by 47% or R30 million.

FORESTRY AND FLEET DIVISION

The loss from the forestry segment is in line with our expectations due to the reduction in clearfell volumes and our decision to invest in our growing stock. *Pinus patula* trees continue to add volume in the later years especially in the higher value block classes.



Volume yield over age in m³ in different diameter classes, per hectare.

The phasing of clearfell was changed to reduce the dependency on SAFCOL over the wet season. These volumes will be harvested during the second half of the financial year. The overall market dynamics have changed and required a review of our harvesting strategy. York identified *Pinus taeda* for early clearfell as this species is not suitable for veneer production and has sub-optimal growth. The harvesting of this species for processing at the Sabie sawmill will reduce our dependency on SAFCOL over the next 18 months and increase cash generation for the Group. To execute the strategy cost-effectively, York acquired a John Deere mechanised harvesting system which came into production in December 2023. The benefit of the increased harvesting will reflect during the second half of the financial year.

Our Fleet division continued to perform well. The division is short of transport capacity due to increased lead distances and increased selling of timber to external clients. The shortfall on capacity will be addressed by a combination of external contractors and additional trucks.

AGRICULTURE DIVISION

The Agriculture division contributed positively to the Group's results with an EBITDA of R4,8 million. We look forward to the first commercial harvest from 40 hectares of soft citrus this season. In line with our strategy to grow our revenue base and foreign-denominated sales, we are in the process of finalising the acquisition of an adjacent property for further development into high-value crops. The remainder of the property will remain planted with timber and will reduce York's dependency on external log suppliers.

FINANCIALS

The decrease in revenue, and consequently EBITDA, was a result of a 1% decrease in the average selling price of lumber and a 10% decrease in plywood prices amounting to R37 million. Our total fixed costs were managed well and increased by 4% from the comparative period. We have commenced with restructuring sections within the Company and the process will be completed by March 2024.

The difficult trading environment and depressed sales prices combined with an increase in working capital resulted in total cash decreasing by R95,8 million during the period.

OUTLOOK

The lumber market is expected to remain weak in terms of demand and pricing. The production improvements from the 5S and FMEA processes together with changes in management at Sabie sawmill and plywood are yielding positive results. Jessievale sawmill has been underperforming and our focus will shift to this operation.

There has been an increase in our plywood stock levels due to weaker local demand. As a result, York has increased production of its export products for the next few months to unlock the cash tied up in working capital.

SAFCOL's log price methodology does not consider the market conditions of its customers. Round 2 SAFCOL bid prices have been on average 6% higher than current pricing. York will focus on securing raw material in the short term from other sources leveraging our balance sheet to increase profitability and cash generation. The harvesting of *Pinus taeda* through insourced mechanised operations will increase profitability and cash generation for the second half of the financial year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Unaudited As at 31 Dec 2023 R'000	Audited As at 30 Jun 2023 R'000	Restated* Unaudited As at 31 Dec 2022 R'000
ASSETS			
Non-current assets			
Biological assets (refer to note 6)	**2 203 019**	2 216 402	2 614 668
Investment property	**13 882**	13 884	12 100
Property, plant and equipment	**890 054**	878 819	912 074
Intangible assets	**81**	128	183
Other financial assets at amortised cost	**112 204**	133 005	98 139
Deferred tax	**4 141**	9 991	10 188
Total non-current assets	**3 223 381**	3 252 229	3 647 352
Current assets			
Biological assets (refer to note 6)	**454 029**	319 863	364 061
Inventories	**274 835**	243 931	261 578
Trade and other receivables	**223 948**	230 056	224 815
Current tax receivable	**1 198**	2 812	822
Cash and cash equivalents	**96 024**	191 916	32 461
Total current assets	**1 050 034**	988 578	883 737
Total assets	**4 273 415**	4 240 807	4 531 089

* *Refer to note 3 for details on the restatement.*

	Unaudited As at 31 Dec 2023 R'000	Audited As at 30 Jun 2023 R'000	Restated* Unaudited As at 31 Dec 2022 R'000
EQUITY AND LIABILITIES			
Equity			
Share capital	**1 735 670**	1 735 670	1 491 674
Reserves	**18 916**	18 336	22 119
Retained income	**955 080**	928 925	1 303 243
Total equity	**2 709 666**	2 682 931	2 817 036
Liabilities			
Non-current liabilities			
Lease liability	**17 258**	21 925	18 779
Deferred tax	**747 489**	741 122	855 955
Borrowings	**145 851**	237 375	187 933
Provisions	**18 975**	18 518	18 127
Retirement benefit obligations	**27 328**	26 430	24 812
Total non-current liabilities	**956 901**	1 045 370	1 105 606
Current liabilities			
Current tax payable	**41**	41	1 731
Borrowings	**242 463**	156 302	209 900
Lease liability	**8 939**	8 236	13 753
Deferred income	**4 460**	–	2 008
Trade and other payables	**343 621**	345 271	378 399
Provisions	**7 324**	2 656	2 656
Total current liabilities	**606 848**	512 506	608 447
Total liabilities	**1 563 749**	1 557 876	1 714 053
Total equity and liabilities	**4 273 415**	4 240 807	4 531 089

* *Refer to note 3 for details on the restatement.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Unaudited Six months ended 31 Dec 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Revenue (refer to note 4)	**882 343**	901 837	1 666 294
Cost of sales[1]	**(623 863)**	(607 930)	(1 702 360)
Gross profit/(loss)	**258 480**	293 907	(36 066)
Other operating income	**11 496**	6 845	15 879
Other operating gains/(losses)	**1 098**	(3 931)	(3 005)
Movement in credit loss allowance	**(1 164)**	(453)	309
Other operating expenses	**(213 758)**	(214 583)	(370 654)
Operating profit/(loss)	**56 152**	81 785	(393 537)
Investment income	**10 852**	4 573	14 687
Finance costs	**(26 664)**	(22 131)	(47 109)
Profit/(loss) before taxation	**40 340**	64 227	(425 959)
Taxation	**(14 185)**	(18 540)	113 095
Profit/(loss) for the period	**26 155**	45 687	(312 864)
Other comprehensive income			
Remeasurement on net defined benefit liability	**–**	–	(2 074)
Taxation related to remeasurement on defined benefit liability	**–**	–	1 339
Gains on property revaluation	**–**	–	334
Other comprehensive loss for the year net of taxation	**–**	–	(401)
Total comprehensive income/(loss) for the period	**26 155**	45 687	(313 265)
Basic earnings/(loss) per share (cents) (refer to note 9)	**6**	13	(77)
Diluted earnings/(loss) per share (cents) (refer to note 9)	**6**	13	(77)

* *Refer to note 3 for details on the restatement.*

[1] *The fair value gain on biological assets of R99 million (June 2023: loss of R384 million, December 2022: gain of R75 million) is included in cost of sales.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	Share capital R'000	Revaluation reserve R'000	Share-based payment reserve R'000	Defined benefit plan reserve R'000	Total reserves R'000	Retained income R'000	Total equity R'000
Balance as at 1 July 2022	1 491 674	14 344	1 014	2 229	17 587	1 241 789	2 751 050
Loss for the year	–	–	–	–	–	(312 864)	(312 864)
Other comprehensive income	–	334	–	(735)	(401)	–	(401)
Total comprehensive income for the year and total transactions with owners	–	334	–	(735)	(401)	(312 864)	(313 265)
Issue of shares	243 996	–	–	–	–	–	243 996
Employee share option scheme	–	–	1 150	–	1 150	–	1 150
Total contributions by and distributions to owners of the Company recognised directly in equity	243 996	–	1 150	–	1 150	–	245 146
Balance as at 30 June 2023	**1 735 670**	**14 678**	**2 164**	**1 494**	**18 336**	**928 925**	**2 682 931**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**26 155**	**26 155**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period and total transactions with owners	**–**	**–**	**–**	**–**	**–**	**26 155**	**26 155**
Employee share option scheme	**–**	**–**	**580**	**–**	**580**	**–**	**580**
Total contributions by and distributions to owners of the Company recognised directly in equity	**–**	**–**	**580**	**–**	**580**	**–**	**580**
Balance as at 31 December 2023	**1 735 670**	**14 678**	**2 744**	**1 494**	**18 916**	**955 080**	**2 709 666**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

	Unaudited Six months ended 31 Dec 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Cash (used in)/generated from operations (refer to note 7)	**(7 764)**	103 559	128 102
Investment income	**10 852**	4 573	14 687
Finance costs	**(25 390)**	(21 069)	(44 356)
Taxation paid	**(353)**	(5 400)	(10 549)
Net cash (applied to)/from operating activities	**(22 655)**	81 663	87 884
Cash flows applied to investing activities			
Purchase of property, plant and equipment	**(32 214)**	(19 672)	(29 026)
Proceeds from disposal of property, plant and equipment	**7 372**	–	1 727
Net proceeds/(purchase) of other financial assets at amortised cost	**20 801**	16 647	(18 220)
Biological asset establishment costs	**(21 557)**	(22 164)	(38 728)
Net cash applied to investing activities	**(25 598)**	(25 189)	(84 247)
Cash flows from financing activities			
Proceeds from issue of share capital	**–**	–	250 000
Payment of rights issue cost	**–**	–	(6 004)
Repayment of borrowings	**(42 436)**	(30 728)	(58 561)
Repayment of lease liability	**(5 077)**	(5 856)	(9 383)
Net cash applied to financing activities	**(47 513)**	(36 584)	176 052
Total cash movement for the period/year	**(95 766)**	19 890	179 689
Cash and cash equivalents at the beginning of the period/year	**191 916**	16 364	16 364
Effect of exchange rate movement on cash balances	**(126)**	(3 793)	(4 137)
Cash and cash equivalents at the end of the period/year	**96 024**	32 461	191 916

* *Refer to note 3 for details on the restatement.*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2023

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the JSE Limited Listings Requirements, the Companies Act of South Africa, 71 of 2008, and the Companies Regulations, 2011. The Group has applied the recognition and measurement requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the presentation and disclosure requirements of International Accounting Standard (IAS) 34: *Interim Financial Reporting*. The financial results have been compiled under the supervision of Schalk Barnard CA(SA), the Chief Financial Officer.

These unaudited condensed consolidated interim financial statements do not include all the information required for full consolidated annual financial statements and should be read in conjunction with the audited consolidated annual financial statements as at and for the year ended 30 June 2023, which are available on the Company's website, **www.york.co.za/wp-content/uploads/2023/09/afs2023,** or on written request from York's Company Secretary, Kilgetty Statutory Services (South Africa) Proprietary Limited (**matthew.wray@kilgetty.co.za**).

These unaudited condensed consolidated interim financial statements have not been reviewed or audited by the Company's external auditor. These unaudited condensed consolidated interim financial statements, which have been prepared on the going concern basis, were approved by the Board of Directors of the Company on 26 March 2024.

These unaudited condensed consolidated interim financial statements are presented in Rand, which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

The accounting policies are in accordance with IFRS. The significant accounting policies and methods of computation are consistent in all material respects with those of the previous financial year ended 30 June 2023. A change in accounting policy and restatements were made to the 31 December 2022 published figures which are set out in note 3 to the unaudited condensed consolidated interim financial statements.

2. ADDITIONAL DISCLOSURE ITEMS

	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Authorised capital commitments			
– Contracted, but not provided	**14 294**	14 517	18 283
– Not contracted	**57 637**	43 356	67 758
Capital expenditure	**69 126**	28 504	66 076
Depreciation of property, plant and equipment	**51 745**	55 657	109 650
Amortisation of intangible assets	**47**	54	104
(Provision) write-back of trade receivables expected credit loss provision	**(1 164)**	(453)	309

The Group was not involved in any litigation settlements during the current reporting period.

3. COMPARATIVE FIGURES

Change in accounting policy restatement

3.1 Change in accounting policy

The Group previously expensed establishment costs of its pine plantations as part of cost of sales in the statement of profit or loss. During the 30 June 2023 reporting period, the Group changed this policy to capitalising establishment costs to the biological assets on the statement of financial position. These costs include activities such as site preparation, planting, and the cost of the seedlings. These activities create an asset, being the plantation and as such, the costs incurred should be capitalised. This provides a better economic presentation of the nature of the costs, as the establishment costs create the asset that is carried at fair value. The associated costs and cash flow to create the asset should be regarded as an investing activity as it creates an asset. The biological asset is stated at fair value and as such, is not impacted by this change.

The net impact of the change in the statement of profit or loss is a reduction of R22,2 million in cost of sales and a decrease in the fair value gain of the same amount. There is no impact on the statement of financial position. In the statement of cash flows, cash from operations increased by R22,2 million and cash applied to investing activities increased by the same amount. The impact on the core/diluted core earnings per share was an increase of 5 cents per share.

3. COMPARATIVE FIGURES continued

Prior period error restatements

3.2 Reclassification of prior year figures

3.2.1 Reclassification of other operating cost to cost of sales

For the six-month period ended 31 December 2022 (prior interim period), production costs of R25,4 million were incorrectly classified as other operating costs instead of being included in cost of sales in the statement of profit or loss. This has been corrected in the prior period comparative by reducing other operating costs by R25,4 million and increasing cost of sales with the same amount. This was restated due to the cost related to bringing the inventory into the place and condition ready to be sold and should be classified as cost of sales. The statements of financial position and statements of cash flows have not been impacted.

3.2.2 Fair value adjustment to biological assets

The fair value movement on the biological assets of R90,6 million (as previously reported) was previously not disclosed as part of cost of sales but as a separate line item on the face of the statements of profit or loss and other comprehensive income, below gross profit. The movement in the fair value relates to harvested trees, the increase in value due to growth and the effect of movement in assumptions. All these items are considered to be part of cost of sales as per IAS 1 and IAS 2.

3.2.3 Movement in credit loss allowance

In the prior interim period, the movement in the credit loss allowance of R0,453 million was included in other operating expenses. This has now been disclosed as a separate line item, "Movement in credit loss allowance", in the statements of profit or loss and other comprehensive income in line with IAS 1. The statements of financial position and statements of cash flows have not been impacted.

3.3 Bank overdraft facility (Absa IMX facility)

In the prior interim period, the IMX bank facility of R50 million was disclosed as a current liability (bank overdraft) in the statements of financial position. This has been reclassified to borrowings under current liabilities. This restatement did not have an impact on the statement of profit or loss and other comprehensive income but resulted in an increase in the cash and cash equivalents closing balance in the statement of cash flow and a decrease in cash flows from financing activities in the statement of cash flows of R11,4 million relating to the movement in the IMX facility. The IMX facility is financing in nature and forms part of borrowings. The restatement ensures compliance with IAS 7.

3.4 Statement of cash flow – instalment sale agreements

In the prior interim period, an inflow from borrowings of R8,8 million was shown with a corresponding increase in property, plant and equipment purchased on the statements of cash flow. This has been corrected and is shown as a non-cash flow movement. The basic requirement of IAS 7 is that an entity should prepare and present a statement of cash flows that reports the cash flows of the entity during the period (IAS 7:10). As a general principle, only transactions that require the use of cash or cash equivalents should be included in a statement of cash flows. As the purchase of property, plant and equipment via instalment sale agreements does not affect cash or cash equivalents, these movements are not regarded as cash flow movements.

3. COMPARATIVE FIGURES continued

Prior period error restatements continued

3.5 Investment property

Investment property consisting of residential property leased to employees at market-related rentals was previously included as part of investment property instead of property, plant and equipment as required per IAS 16. The residential property has now been reclassified to property, plant and equipment as residential buildings carried at revaluation due to the category of asset being different to other buildings in the Group. The residual value of the property is equal to its revalued amount, therefore, no depreciation is recognised. This restatement resulted in a decrease in investment property in December 2022 of R24,1 million, an increase in property, plant and equipment of R24,1 million and a resultant retained income adjustment of R18,3 million, and a revaluation reserve of R18,3 million.

3.6 Biological assets

Corrections were made to the valuation model as follows:

- Log prices were changed to reflect current market prices of logs. Previously, a weighted price was used. This change increased the value by R124,9 million.
- The contributory asset charge for land was increased as it did not reflect a current market-related rental charge. This correction decreased the value by R87,7 million.
- Certain establishment costs were incorrectly included in the model. The model does not take replantings into account. This correction increased the value by R37,8 million.

The net impact of the corrections resulted in an increase of R75 million in the prior interim period on the biological asset value in the statement of financial position and a fair value adjustment on biological assets included in the statement of profit or loss and other comprehensive income. An adjustment of R73 million was made against retained income to correct the opening balance of the biological assets with the June 2022 restatement.

The deferred tax liability increased by R1,7 million.

The impact on earnings/diluted earnings and headline earnings/diluted headline earnings per share was an increase of 1 cent per share.

3.7 Goodwill

During the 30 June 2023 reporting period, it was concluded that the deferred tax liability associated with the biological asset of the Forestry cash-generating unit should be excluded from the carrying value of the cash-generating unit as per the requirements of IAS 36 and IFRS 13. As a result of this exclusion, the carrying value of the cash-generating unit exceeded the recoverable amount, and as a result, the goodwill of R357,6 million has been retrospectively impaired.

3.8 Reportable segment

In the prior interim period, the results of the Agriculture segment included results of a sawmill on the Stadsrivier farm. The sawmill has been allocated to the processing plant's segment which resulted in a decrease in the processing plant's EBITDA of R1,6 million and an increase in the Agriculture segment's EBITDA of the equivalent amount.

3. COMPARATIVE FIGURES continued

The impact on the financial statements is summarised below.

	As previously stated 31 Dec 2022 R'000	Change in accounting policy R'000	Prior year restatement R'000	Restated 31 Dec 2022 R'000
Statement of profit or loss and other comprehensive income				
Cost of sales	679 649	(22 164)	(49 555)	607 930
Operating expenses	240 409	–	(25 826)	214 583
Fair value adjustment on biological assets	(90 614)	–	90 614	–
Movement in credit loss allowance	–	–	453	453
Taxation	16 791	–	1 749	18 540
Profit for the period	40 958	–	4 729	45 687
Statement of financial position				
Property, plant and equipment	887 933	–	24 141	912 074
Investment property	36 241	–	(24 141)	12 100
Biological assets	2 899 235	22 164	57 330	2 978 729
Retained income	(1 601 424)	–	298 181	(1 303 243)
Revaluation reserve	(3 823)	–	(18 296)	(22 119)
Borrowings (current liability)	(159 876)	–	(50 024)	(209 900)
Bank overdraft (current liability)	(50 024)	–	50 024	–
Deferred tax	(844 018)	–	(1 749)	(845 767)
Goodwill	357 630	–	(357 630)	–
Statement of cash flows				
Net cash from operating activities	59 499	22 164	–	81 663
Net cash applied to investing activities	(11 857)	(22 164)	8 832	(25 189)
Net cash applied to financing activities	(39 175)	–	2 591	(36 584)
Total cash and cash equivalents at the end of the period	(17 563)	–	50 024	32 461
Notes to the financial statements				
Basic/diluted earnings per share	12	–	1	13
Basic/diluted headline earnings per share	12	–	1	13
Basic/diluted core earnings per share	(7)	5	(1)	(3)

3. COMPARATIVE FIGURES continued

	Processing plants R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
Segment reporting note					
Reportable segment profit/(loss) as previously presented for 31 December 2022	47 564	10 069	(26 412)	3 633	34 854
Change in business units included in reportable segments	(1 566)	–	–	1 566	–
Change in accounting policy	–	–	22 164	–	22 164
Reportable segment profit/(loss) as restated	45 998	10 069	(4 248)	5 199	57 018

4. REVENUE

	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Revenue from contracts with customers			
Sale of goods	**869 816**	887 021	1 637 997
Rendering of services	**12 527**	14 816	28 297
Total	**882 343**	901 837	1 666 294

4. REVENUE continued

	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Disaggregation of revenue from contracts with customers			
Sale of goods			
– Food and beverage sales	**52**	85	111
– Lumber sales	**459 563**	439 085	823 239
– Plywood sales	**309 288**	360 824	652 702
– Fruit and nut sales	**11 075**	11 363	14 655
– Sundry income	**28 104**	22 763	38 499
– Log sales	**61 734**	52 901	108 791
Total	**869 816**	887 021	1 637 997
Rendering of services			
– Transport income	**1 752**	2 101	3 189
– Income from fruit packed	**8 407**	9 661	19 628
– Treating income	**2 112**	2 360	4 407
– Accommodation income	**256**	694	1 073
Total	**12 527**	14 816	28 297
Total revenue from contracts with customers	**882 343**	901 837	1 666 294

4. REVENUE continued

	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Timing of revenue recognition			
At a point in time			
– Sale of goods	**869 816**	887 021	1 637 997
– Rendering of services	**12 271**	14 122	27 224
Total	**882 087**	901 143	1 665 221
Over time			
– Rendering of services	**256**	694	1 073
Total revenue from contracts with customers	**882 343**	901 837	1 666 294

5. OPERATING SEGMENTS

The Group has four reportable segments which are the Group's strategic divisions. The Group operates in three geographical segments, namely South Africa, Southern Africa Development Community (SADC) and non-SADC regions. The non-SADC sales refer to plywood sales to the United Kingdom, Belgium, Italy, Holland and Germany.

5. OPERATING SEGMENTS continued

The segmental analysis is as follows:

	Processing plants		
	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Revenue: external sales			
– Lumber sales*	**304 202**	298 595	563 410
– Plywood sales	**224 168**	249 982	444 664
– Sundry income	**27 048**	20 308	36 808
– Log sales	**–**	91	91
– Treating income	**1 809**	2 098	3 890
Revenue: inter-segment sales	**168 353**	168 956	326 009
Total revenue	**725 580**	740 030	1 374 872
Revenue: external sales			
– South Africa	**431 733**	395 078	749 634
– SADC	**75 278**	88 947	170 720
– Non-SADC	**50 216**	87 049	128 509
Revenue: inter-segment sales	**168 353**	168 956	326 009
Total revenue	**725 580**	740 030	1 374 872
Material segment expenses			
– Depreciation and amortisation*	**(28 818)**	(33 378)	(75 203)
– Employment cost*	**(121 740)**	(112 455)	(221 663)
– Utilities*	**(45 194)**	(39 973)	(77 549)
– Fuel*	**(12 815)**	(13 891)	(25 258)
– Transport*	**(44 920)**	(39 402)	(76 249)
Reportable segment profit*[1]	**5 934**	45 998	61 914
Other non-cash items			
Capital expenditure	**26 583**	11 240	27 551
Material segment assets			
Property, plant and equipment	**395 170**	563 773	433 814

* *Refer to note 3 for details on the restatements.*

[1] *Being EBITDA and fair value adjustments on biological assets.*

5. OPERATING SEGMENTS continued

	Wholesale		
	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Revenue: external sales			
– Lumber sales	**155 361**	140 733	259 846
– Plywood sales	**85 120**	110 842	208 037
– Sundry income	**571**	653	1 365
– Treating income	**303**	211	518
Revenue: inter-segment sales	**33 072**	60 037	94 050
Total revenue	**274 427**	312 476	563 816
Revenue: external sales			
– South Africa	**221 420**	237 244	441 710
– SADC	**19 600**	15 195	28 056
– Non-SADC	**335**	–	–
Revenue: inter-segment sales	**33 072**	60 037	94 050
Total revenue	**274 427**	312 476	563 816
Material segment expenses			
– Depreciation and amortisation	**(4 798)**	(4 820)	(9 706)
– Employment cost	**(9 279)**	(8 658)	(16 311)
– Utilities	**(1 417)**	(1 444)	(2 402)
– Fuel	**(2 161)**	(2 596)	(4 685)
– Transport	**(5 493)**	(6 010)	(10 392)
Reportable segment profit[1]	**9 567**	10 069	21 113
Other non-cash items			
Capital expenditure	**–**	–	911
Material segment assets			
Property, plant and equipment	**26 457**	35 275	31 254
Biological assets	**–**	–	–

[1] *Being EBITDA and fair value adjustments on biological assets.*

5. OPERATING SEGMENTS continued

	Forestry and Fleet		
	Unaudited Six months ended 31 Dec 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Revenue: external sales			
– Sundry income	**–**	122	–
– Log sales	**61 734**	52 810	108 700
– Transport income	**1 752**	2 101	3 189
Revenue: inter-segment sales	**342 524**	363 920	719 479
Total revenue	**406 010**	418 953	831 368
Revenue: external sales			
– South Africa	**63 486**	55 033	111 889
Revenue: inter-segment sales	**342 524**	363 920	719 479
Total revenue	**406 010**	418 953	831 368
Material segment expenses			
– Depreciation and amortisation	**(13 861)**	(15 113)	(29 544)
– Employment cost	**(42 940)**	(38 656)	(76 959)
– Utilities	**(1 415)**	(1 801)	(3 292)
– Fuel	**(16 352)**	(19 368)	(33 959)
– Transport	**(17 195)**	(9 728)	(27 807)
– External timber purchases	**(159 680)**	(160 986)	(240 582)
Reportable segment (loss)/profit*[1]	**(9 180)**	(4 248)	17 205
Other non-cash items			
– Fair value adjustment to biological assets included in cost of sales	**99 175**	75 624	(385 779)
Capital expenditure	**39 585**	9 670	24 731
Material segment assets			
Property, plant and equipment	**182 448**	165 944	166 410
Biological assets	**2 649 935**	2 974 041	2 529 202

* *Refer to note 3 for details on the restatements.*
[1] *Being EBITDA and fair value adjustments on biological assets.*

5. OPERATING SEGMENTS continued

	Agriculture		
	Unaudited Six months ended 31 Dec 2023 R'000	**Unaudited Six months ended 31 Dec 2022 R'000**	**Audited Year ended 30 Jun 2023 R'000**
Revenue: external sales			
– Fruit and nut sales	**11 075**	11 363	14 655
– Sundry income	**448**	817	261
– Income from fruit packed	**8 407**	9 661	19 628
Revenue: inter-segment sales	**–**	–	3
Total revenue	**19 930**	21 841	34 547
Revenue: external sales			
– South Africa	**13 879**	12 155	24 858
– Non-SADC	**6 051**	9 686	9 686
Revenue: inter-segment sales	**–**	–	3
Total revenue	**19 930**	21 841	34 547
Material segment expenses			
– Depreciation and amortisation*	**(1 357)**	(1 629)	(2 239)
– Employment cost*	**(6 130)**	(5 908)	(11 515)
– Utilities*	**(949)**	(870)	(1 542)
– Fuel*	**(697)**	(585)	(1 164)
Reportable segment profit*[1]	**4 815**	5 199	5 033
Other non-cash items			
– Fair value adjustment to biological assets included in cost of sales	**570**	(695)	1 680
Capital expenditure	**651**	2 255	2 887
Material segment assets			
Property, plant and equipment	**84 647**	90 757	88 422
Biological assets	**7 114**	4 688	7 063

* *Refer to note 3 for details on the restatements.*
[1] *Being EBITDA and fair value adjustments on biological assets.*

5. OPERATING SEGMENTS continued

	Total		
	Unaudited Six months ended 31 Dec 2023 R'000	**Unaudited Six months ended 31 Dec 2022 R'000**	**Audited Year ended 30 Jun 2023 R'000**
Revenue: external sales			
– Lumber sales	**459 563**	439 328	823 256
– Plywood sales	**309 288**	360 824	652 701
– Fruit and nut sales	**11 075**	11 363	14 655
– Sundry income	**28 067**	21 900	38 434
– Log sales	**61 734**	52 901	108 791
– Transport income	**1 752**	2 101	3 189
– Income from fruit packed	**8 407**	9 661	19 628
– Treating income	**2 112**	2 309	4 408
Revenue: inter-segment sales	**543 949**	592 913	1 139 541
Total revenue	**1 425 947**	1 493 300	2 804 603
Revenue: external sales			
– South Africa	**730 518**	699 510	1 328 091
– SADC	**94 878**	104 142	198 776
– Non-SADC	**56 602**	96 735	138 195
Revenue: inter-segment sales	**543 949**	592 913	1 139 541
Total revenue	**1 425 947**	1 493 300	2 804 603
Material segment expenses			
– Depreciation and amortisation	**(48 834)**	(54 940)	(116 692)
– Employment cost	**(180 089)**	(165 677)	(326 448)
– Utilities	**(48 975)**	(44 088)	(84 785)
– Fuel	**(32 025)**	(36 440)	(65 066)
– Transport	**(67 608)**	(55 141)	(114 448)
– External timber purchases	**(159 680)**	(160 986)	(240 582)
Reportable segment profit*[1]	**11 136**	57 018	105 265
Other non-cash items			
– Fair value adjustment to biological assets included in cost of sales	**99 745**	74 929	(384 099)
Capital expenditure	**66 819**	25 464	56 080
Material segment assets			
Property, plant and equipment	**666 937**	855 537	744 985
Biological assets*	**2 657 049**	2 978 729	2 536 265

* *Refer to note 3 for details on the restatements.*
[1] *Being EBITDA and fair value adjustments on biological assets.*

5. OPERATING SEGMENTS continued

	Unaudited Six months ended 31 Dec 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Reconciliation of reportable segment revenue			
Total revenue for reportable segments	**1 425 947**	1 493 300	2 804 603
Non-reporting segment revenue	**345**	1 450	1 232
Elimination of reportable inter-segment revenue	**(543 949)**	(592 913)	(1 139 541)
Consolidated revenue	**882 343**	901 837	1 666 294

	Unaudited Six months ended 31 Dec 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Reconciliation of reportable segment profit			
Total EBITDA for reportable segments	**11 136**	57 017	105 265
Depreciation and amortisation for reportable segments	**(48 834)**	(54 940)	(116 692)
Depreciation, amortisation and impairment for non-reporting segments	**(3 059)**	(771)	(3 002)
Non-reporting segments EBITDA	**(2 836)**	5 550	4 991
Fair value adjustment on biological assets	**99 745**	74 929	(384 099)
Operating profit/(loss)	**56 152**	81 785	(393 537)

* *Refer to note 3 for details on the restatement.*

6. BIOLOGICAL ASSETS

Plantation biological assets

The calculation to establish the value of the plantation biological assets is based on existing, sustainable harvesting plans and assessments regarding growth, timber prices, harvesting and silviculture costs and selling expenses. The calculation is performed for a harvesting cycle for biological assets that York estimates to average 20 to 23 years (June 2023: 20 to 23 years, December 2022: 20 years) and does not include replanting of trees once harvested.

The change in value is recognised as part of cost of sales in the statement of profit or loss and other comprehensive income.

	Unaudited Six months ended 31 Dec 2023 R'000	Audited Year ended 30 Jun 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000
Change in discounted cash flow (DCF) value attributable to:			
Opening balance	**2 529 202**	2 876 253	2 876 253
Change in product mix and age[1]	**(13 197)**	(315 326)	6 492
Revenue and price[2]	**104 664**	121 747	57 287
Operating cost	**(173 180)**	(162 234)	(18 149)
Discount rate	**140 057**	(240 164)	(24 215)
Establishment cost	**21 557**	38 728	22 164
Change in volume[3]	**40 831**	210 198	54 209
Closing balance	**2 649 934**	2 529 202	2 974 041
Classified as non-current assets	**2 203 019**	2 216 402	2 614 668
Classified as current assets[4]	**446 915**	312 800	359 373

* *Refer to note 3 for details on the restatements.*

[1] *Represents the cash flow profile change from the prior comparative period yield forecast as a result of the change in the product mix and the age profile of the plantation biological assets.*

[2] *Revenue and price changes relate to inflationary adjustments over the next year, the following year and over the long term.*

[3] *Change in volume in the DCF model refers to changes in the forecast yield at maturity of planted trees. Temporary unplanted hectares decreased by 476 hectares from 30 June 2023. An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.*

[4] *The biological assets to be harvested and sold in the 12 months after year-end.*

6. BIOLOGICAL ASSETS continued

	Unaudited Six months ended 31 Dec 2023 R'000	Audited Year ended 30 Jun 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000
Reconciliation of biological assets due to changes in standing volume: pine and eucalyptus trees			
Opening balance	**2 529 202**	2 876 253	2 876 253
Fair value adjustment			
– Increase due to growth and enumerations[1]	**167 996**	322 408	168 033
– Decrease due to harvesting	**(116 256)**	(243 860)	(125 117)
– Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions	**47 435**	(464 327)	32 708
Establishment cost	**21 557**	38 728	22 164
Closing balance	**2 649 934**	2 529 202	2 974 041
Classified as non-current assets	**2 203 019**	2 216 402	2 614 668
Classified as current assets[2]	**446 915**	312 800	359 373

* *Refer to note 3 for details on the restatements.*

[1] *Enumerations refer to updates made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.*

[2] *The biological assets to be harvested and sold in the 12 months after year-end.*

	Unaudited Six months ended 31 Dec 2023	Audited Year ended 30 Jun 2023	Restated* Unaudited Six months ended 31 Dec 2022
Reconciliation of standing volumes (m^3) (excluding purchased plantations)			
Opening balance	**6 890 527**	6 707 355	6 707 355
Increase due to growth and enumerations[1]	**457 687**	751 849	391 850
Decrease due to harvesting and sales	**(316 726)**	(568 677)	(291 771)
Closing balance	**7 031 488**	6 890 527	6 807 434

* *Refer to note 3 for details on the restatements.*

[1] *Enumerations refer to updates made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.*

6. BIOLOGICAL ASSETS continued

Methodology and key assumptions used in determining the fair value of the pine and eucalyptus trees

The key inputs into the DCF model are set out below. The DCF model does not take replantings into account and is based on a 20 to 23-year finite period. This is consistent with the expected rotation of the plantations, being 23 years in the Escarpment (June 2023: 23 years) and 20 years in the Highveld (June 2023: 20 years).

- **Log prices:** Log prices per cubic metre and per log class are based on current and future expected market prices. Current log prices are based on the prior year actual prices with a 3% increase. Future prices were adjusted upwards for inflation by 4,84% over the next year, 4,11% over the following year and 4,50% over the long term (June 2023: 4,80% over the next year, 4,4% over the following year and 4,60% over the long term).
- **Operating costs:** Costs include harvesting, maintenance and associated fixed overhead costs as well as a contributory asset charge. No replanting and associated costs are included. The overheads are based on a unit cost on the remaining planted hectares and reduce over the discount period as the remaining planted hectares reduce. Future costs, other than electricity and wages adjusted upwards for inflation by 4,84% over the next year, 4,11% over the following year, and 4,50% over the long term (June 2023: 4,80% over the next year, 4,40% over the following year, and 4,60% over the long term) were used. Electricity and wage costs were increased by 12% and 8,50%, respectively.
- **Costs to sell:** Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes. Costs to sell include harvesting costs and costs to bring logs to roadside that are part of operating costs.
- **Discount rate:** In determining the weighted average cost of capital (WACC), a comparable group of forestry companies' Beta is used to determine the Beta applied in the WACC. York applied the debt/equity ratio of market participants included in its comparable company basket.
- **Volume and volume adjustment factor:** The total maturity volume over the 20 to 23-year cycle is 23 378 288m^3 (June 2023: 23 006 873m^3). The projected volumes from the harvesting plans are risk-adjusted by a weighted average of 3% (June 2023: 3%) based on the most recent actual yield reconciliation data to account for normal and abnormal deviations and operational losses.

6. BIOLOGICAL ASSETS continued

	Unaudited Six months ended 31 Dec 2023	Audited Year ended 30 Jun 2023	Unaudited Six months ended 31 Dec 2022
Maturity volume (m^3)			
Year 1 to 5	**3 537 557**	3 390 586	3 984 277
Year 6 to 10	**6 790 334**	5 830 549	6 272 037
Year 11 to 15	**5 831 417**	5 681 580	5 283 264
Year 16 and above	**7 218 980**	8 104 158	6 304 535
Closing balance	**23 378 288**	23 006 873	21 844 113

Level 3 fair value

The valuation model considers the present value of the net cash flows expected to be generated from the plantations. The cash flow projections include specific estimates for 20 to 23 years (June 2023: 20 to 23 years, December 2022: 20 years). The expected cash flows are risk-adjusted for current economic conditions.

	Unaudited Six months ended 31 Dec 2023	Audited Year ended 30 Jun 2023	Unaudited Six months ended 31 Dec 2022
Key assumptions used in the discounted DCF valuation			
Risk-free rate[1]	**11,39%**	11,76%	10,81%
Beta factor[2]	**1,01**	1,07	1,14
Cost of equity	**17,65%**	18,42%	17,85%
Post-tax cost of debt	**8,58%**	8,58%	7,67%
Debt/equity ratio[2]	**22:78**	22:78	24:76
After-tax WACC	**15,67%**	16,26%	15,37%

[1] *The 10-year South African Government Bonds generic bid yield curve (GSAB10YR) was used.*
[2] *York applied a relevered Beta and a debt/equity ratio of the market participants included in its comparable company basket.*

6. BIOLOGICAL ASSETS continued

	Unaudited Six months ended 31 Dec 2023 R'000	Audited Year ended 30 Jun 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000
Sensitivity analysis			
100 basis points increase in the current log price	**47 738**	45 576	47 576
25 basis points increase in the forecast log prices (years 1 and 2 and long term)	**98 430**	88 808	89 517
25 basis points increase in the forecast cost inflation rate	**(35 431)**	(28 517)	(30 057)
50 basis points increase in the pre-tax cost of debt	**(19 745)**	(17 977)	(21 360)
25 basis points increase in the discount rate	**(61 361)**	(55 337)	(59 387)
100 basis points increase in projected volumes	**49 170**	45 576	40 467

Unharvested fruit biological assets

	Unaudited Six months ended 31 Dec 2023 R'000	Audited Year ended 30 Jun 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000
Reconciliation of unharvested fruit biological assets			
Opening balance	**7 063**	5 383	5 383
Change in fair value attributable to:	**51**	1 680	(695)
Avocados and macadamias harvested	**(6 819)**	(5 383)	(5 383)
Growth of unharvested avocados, macadamias and citrus	**6 768**	7 063	4 688
Closing balance	**7 114**	7 063	4 688
Classified as non-current assets			
Classified as current assets[1]	**7 114**	7 063	4 688

[1] *The biological assets to be harvested and sold in the 12 months after year-end.*

6. BIOLOGICAL ASSETS continued

Methodology and key assumptions used in determining the fair value of the unharvested fruit

Prices: The fair value of citrus, avocados and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes, adjusted for expected costs to reach maturity, which is typically zero to nine months (June 2023: one to three months) after the end of the reporting period.

Costs to sell: Costs to sell include packaging and harvesting costs.

Volume: The agricultural produce volumes were reduced by a weighted average of 1% (June 2023: 1%) for avocados and citrus and 9% (June 2023: 13%) moisture loss for macadamias. These adjustments were based on the historical actual volumes harvested compared to estimated volumes and volume distribution between export, local and reject markets on the historical pack-out yields.

	Unaudited Six months ended 31 Dec 2023 R'000	Audited Year ended 30 Jun 2023 R'000	Unaudited Six months ended 31 Dec 2022 R'000
Sensitivity analysis			
100 basis points increase in market prices	**76**	76	49
25 basis points increase in harvesting cost	**(1)**	(1)	(0,5)
100 basis points increase in volumes	**71**	71	47

	Unaudited Six months ended 31 Dec 2023 R'000	Audited Year ended 30 Jun 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000
Total biological assets (pine and eucalyptus trees and unharvested fruit)			
Classified as non-current assets	**2 203 019**	2 216 402	2 614 668
Classified as current assets[1]	**454 029**	319 863	364 061
Closing balance	**2 657 048**	2 536 265	2 978 729

* *Refer to note 3 for details on the restatements.*
The fair value movement on biological assets is included in cost of sales in the statement of profit or loss and other comprehensive income.

[1] *The biological assets to be harvested and sold in the 12 months after year-end.*

7. CASH GENERATED FROM OPERATIONS

	Unaudited Six months ended 31 Dec 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Profit/(loss) before taxation	**40 340**	64 227	(425 959)
Adjustments for:			
Depreciation and amortisation	**51 792**	55 711	109 754
(Profit)/loss on disposal of assets	**(1 224)**	130	653
Loss on foreign exchange	**126**	3 793	4 137
Investment income	**(10 852)**	(4 573)	(14 687)
Finance costs	**26 664**	22 131	47 109
Fair value (gains)/losses	**(99 745)**	(74 929)	382 315
Movement in retirement benefit liabilities	**898**	731	275
Movement in provisions	**5 125**	201	592
Share-based payment expense: equity-settled	**580**	580	1 150
Impairment on assets	**–**	–	9 940
Impairment on trade receivables	**1 164**	453	(309)
Changes in working capital			
Inventories	**(30 385)**	(38 299)	(20 655)
Trade and other receivables	**4 944**	(27 126)	(36 294)
Trade and other payables	**(1 651)**	100 184	71 744
Deferred income	**4 460**	345	(1 663)
Cash generated from operations	**(7 764)**	103 559	128 102

* *Refer to note 3 for details on the restatements.*

8. RELATED PARTIES

The Group's related parties are its subsidiaries and key management, including directors. No businesses were acquired or disposed of during the six-month period ended 31 December 2023.

9. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on:

	Unaudited Six months ended 31 Dec 2023	Restated* Unaudited Six months ended 31 Dec 2022	Audited Year ended 30 Jun 2023
Basic (loss)/earnings attributable to ordinary shareholders (R'000)	**26 155**	45 687	(312 864)
Reconciliation of weighted average number of ordinary shares			
Weighted average number of ordinary shares used for basic earnings per share ('000)	**463 753**	320 859	320 859
Adjusted for:			
Bonus element from rights issue	**–**	23 580	23 580
Rights offer shares issued for value	**–**	–	59 638
Total weighted average number of ordinary shares used for basic earnings per share ('000)	**463 753**	344 439	404 077
Bonus element of share-based payment ('000)	**903**	580	762
Weighted average number of ordinary shares in issue ('000)	**464 656**	345 019	404 839
Earnings/(loss) per share (cents)	**6**	13	(77)
Diluted earnings/(loss) per share (cents)	**6**	13	(77)

* *Refer to note 3 for details on the restatements.*

10. HEADLINE EARNINGS PER SHARE

The calculation of headline earnings per share is based on:

	Unaudited Six months ended 31 Dec 2023	Restated* Unaudited Six months ended 31 Dec 2022	Audited Year ended 30 Jun 2023
Reconciliation of basic earnings to headline earnings			
Basic earnings/(loss) attributable to ordinary shareholders (R'000)	**26 155**	45 687	(312 864)
(Loss)/profit on sale of assets and liabilities (net of tax)	**(894)**	34	476
Impairment of plant and equipment (net of tax)	**–**	–	7 257
Fair value adjustment on investment property	**–**	–	(1 302)
Insurance payouts from loss of assets	**(3 591)**	–	(235)
Headline earnings/(loss) for the period (R'000)	**21 670**	45 721	(306 668)
Weighted average number of ordinary shares in issue ('000)	**464 656**	345 019	404 839
Headline earnings/(loss) per share (cents)	**5**	13	(76)
Diluted headline earnings/(loss) per share (cents)	**5**	13	(76)

* *Refer to note 3 for details on the restatements.*

11. CORE EARNINGS PER SHARE

Core earnings are defined as basic earnings adjusted for fair value adjustments on biological assets after taxation. This is a non-IFRS measure.

The calculation of core earnings per share is based on:

	Unaudited Six months ended 31 Dec 2023	Restated* Unaudited Six months ended 31 Dec 2022	Audited Year ended 30 Jun 2023
Basic earnings/(loss) attributable to ordinary shareholders (R'000)	**26 155**	45 687	(312 864)
Fair value adjustment on biological assets (net of tax)	**(72 814)**	(54 698)	280 392
Core (loss)/earnings for the period (R'000)	**(46 659)**	(9 011)	(32 472)
Weighted average number of ordinary shares in issue ('000)	**464 656**	345 019	404 839
Core loss per share (cents)	**(10)**	(3)	(8)
Diluted core loss per share (cents)	**(10)**	(3)	(8)

* *Refer to note 3 for details on the restatement.*

12. FAIR VALUE MEASUREMENT

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value adjustments

	Unaudited Six months ended 31 Dec 2023 R'000	Restated* Unaudited Six months ended 31 Dec 2022 R'000	Audited Year ended 30 Jun 2023 R'000
Level 3 recurring fair value measurements			
Investment property	**13 882**	12 100	13 884
Residential property	**24 567**	24 141	24 567
Biological assets			
– Pine and eucalyptus trees	**2 649 934**	2 974 041	2 529 202
– Unharvested fruit	**7 114**	4 688	7 063

* *Refer to note 3 for details on the restatement.*

The pine and eucalyptus biological asset valuation model considers the present value of the net cash flows expected to be generated from the plantations. The cash flow projections include specific estimates for 20 to 23 years (June 2023: 20 to 23 years). The expected cash flows are risk-adjusted for current economic conditions (refer to note 6).

The unharvested fruit volumes are calculated by reference to historical pack-out rates determined by reference to market prices for different class products and adjusted for the cost to reach maturity. Significant estimates include the expected agricultural produce yields and quality and the expected market price (refer to note 6).

For investment property, there is a three-year external valuation cycle and external valuations were performed on 29 June 2023. A comparable sales approach was used to value the investment properties.

The carrying values of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial statements approximately equal their fair values.

13. COVENANT COMPLIANCE

The Group's loans with Land Bank and Absa Capital Fund (Stadsrivier Vallei Proprietary Limited) (Absa or the lender) are subject to covenants, whereby the Company is required to meet certain key financial ratios that are measured quarterly, on a rolling 18 and 12-month basis. The Group met most covenants except for Absa's leverage and interest cover ratio as at 31 December 2023. Absa waived the right to call an event of default as at 31 December 2023 but this was only done subsequent to the reporting date. As such, the Absa debt is disclosed as current.

The following covenants are required:

Land Bank loan covenants

Financial covenant	Required ratio	As calculated	Compliance
Security cover ratio	>= 1,5:1	9,57	Yes
Interest cover ratio	>= 2:1	2,83	Yes
Debt-to-equity ratio	<= 1:1	0,16	Yes

Absa Capital Fund loan covenants

Financial covenant	Required ratio	As calculated	Compliance
Loan-to-value	<1	0,91	Yes
Debt-to-equity	<0,3	0,12	Yes
Leverage	<3,5	5,65	No
Interest cover	>2,25	1,84	No

14. EVENTS AFTER THE REPORTING PERIOD

Pine-valley Farms acquisition

The Group, through its wholly owned subsidiary, Stadsrivier Vallei Proprietary Limited, entered into a sale agreement with Sappi Southern Africa Limited and Sappi Property Company Proprietary Limited on Monday, 29 January 2024, in terms of which it agreed to acquire two portions of land from Sappi, referred to as the Pine-valley Farms (acquisition).

The Pine-valley Farms comprise a total of 1 193 hectares of land containing standing timber plantations. The farms are contiguous to York's Rhenosterhoek Plantation as well as Stadsrivier Vallei's agriculture complex, thereby providing York with a variety of synergistic growth benefits, including 300 hectares of arable land for the expansion of York's existing avocado and soft citrus farming operations.

The acquisition also serves to bolster York's fibre security and reduce York's dependency on external third-party lumber purchases.

The cash purchase consideration payable of R65,4 million (plus value added tax at zero rate) will be settled by way of a loan facility obtained by York Timbers Proprietary Limited (as part of the broader refinancing as discussed below), payable against registration and transfer of the Pine-valley Farms into the name of the purchaser.

Refinancing of Land Bank and Absa Capital debt

The Group is concluding a new R350 million long-term debt facility that will be used to refinance its existing long-term debt. The new facility has been approved by the lender and is expected to be in place by the end of April 2024, subject to the completion of conditions precedent. The proceeds will be used to repay both the Land Bank and Absa Capital debt, to fund the acquisition of the Pine-valley Farms, with additional funds available for general working capital purposes.

The refinancing transaction has no impact on the classification of the Land Bank and Absa Capital debt as the Group has the legal right to continue repayments under the terms of the current agreements in place with Land Bank and Absa Bank. The Absa Capital debt is classified as current due to the covenant breach noted in note 13.

15. GOING CONCERN

The unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group is concluding the refinancing of its long-term debt facilities with a new R350 million facility. The first draw down under the facility is expected to be made in April 2024 when both the Land Bank and Absa Capital debt will be repaid. This will resolve the Absa Capital debt covenant breach and provide the Group with additional liquidity. The remaining rights issue funds of R76 million at period end, is also available to the Group to fund increased external purchases and liquidity.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the unaudited condensed consolidated interim financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Management has assessed the appropriateness of the use of the going concern assumption in the preparation of these interim financial statements through a review of the 12-month cash flow forecast and based on the assessment, management is of the view that the Group will continue to operate as a going concern.

COMPANY INFORMATION

York Timber Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 1916/004890/06
JSE share code: YRK
ISIN: ZAE000133450
(**York**, the **Company** or the **Group**)

Directors

Executive directors
Gabriël Stoltz
(Chief Executive Officer)
Schalk Barnard
(Chief Financial Officer)

Non-executive directors
Nonzukiso Siyotula* *(Chairperson)*
Hetisani Mbanyele-Ntshinga*
Maxwell Nyanteh*
(Lead Independent Director)
Andries Brink*
André van der Veen
Lindani Dhlamini*
Alton Solomons
Adrian Zetler

** Independent*

Registered office

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Postal address
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Mpumalanga, South Africa

Auditor

Deloitte & Touche

Company Secretary

Kilgetty Statutory Services
(South Africa) Proprietary Limited

Chief Financial Officer

Schalk Barnard

Sponsor

One Capital Sponsor Services
Proprietary Limited

Transfer secretaries

Computershare Investor Services
Proprietary Limited

www.york.co.za

Any forward-looking statements have not been reviewed or reported on by the Group's auditor.

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