

Abridged Unaudited Financial Results for the half year ended 30 June 2016

Chairman's Statement

We are very pleased to report a radical turnaround in the business, despite the rapidly deteriorating economic environment, from the restructuring exercise undertaken by the executive-management.

The continuing operations revenue of \$12.120 million was consistent with the prior year's revenue. The EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) improved by \$1.618 million to \$1.907 million versus \$0.289 million shown in the prior year. This improvement was due to the cost-reduction exercise undertaken during 2015, which reduced the operating costs by \$1.658 million (14%), from \$12.141 million to \$10.483 million.

Finance costs increased by \$0.544 million from \$0.196 million to \$0.740 million. The material increase was from a deemed interest charge on shareholder loans of \$0.322 million and interest on deferred business purchase consideration of \$0.105 million.

The post tax loss for continuing operations improved by \$1.018 million to \$ 0.071

million, compared to a \$1.089 million loss shown in the prior year.

Discontinued operations showed a \$2.606 million profit, compared with a \$1.201 million loss shown in the prior year.

The profit for the half-year was \$2.535 million, compared with a \$2.290 million loss in the prior year. A total improvement of \$4.825 million.

Loans have reduced by \$1.435 million from \$11.237 million to \$9.802 million.

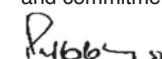
The net cash generated from operations was \$2.033 million compared to net cash utilised of \$0.104 million shown in the prior year. There was a net decrease in cash and equivalents of \$0.126 million compared to net decrease of \$0.870 million shown in the prior year.

In common with most of the other operating businesses in Zimbabwe, the future is uncertain albeit the trends suggest a likely decline in volume and revenues. The Company is aggressively pursuing revenue opportunities. However, cost reduction strategies will be implemented

depending on the revenue performance. We are projecting, for continuing operations, a break-even profit position for the full year to 31 December 2016 versus the 2015 full-year loss from continued operations of \$3.980 million.

With effect from 29 June 2016: two non-executive directors, H.B.W. Rudland and B.G. Manyenyeni, retired from the board. With effect from 1 August 2016: two non-executive directors, C.D. Amira and B.N. Ndebele, and one executive director, S.P. Beamish (CFO from 1 May 2015), were appointed to the board.

On behalf of the board, I would like to thank all the staff, retired directors, current directors, and all the other stakeholders for their continued support and commitment.


P C Chingoka
Chairman

Tuesday, 13 September 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	2016 June USD 000	2015 December USD 000
ASSETS		
Non current assets	21,101	21,461
Property, vehicles and equipment	13,245	13,547
Investment property	6,356	6,414
Intangible asset	1,500	1,500
Current assets	4,395	7,254
Inventories	702	776
Trade and other receivables	3,534	6,383
Current tax asset	8	1
Cash and cash equivalents	151	94
Assets held for sale	3,167	7,145
TOTAL ASSETS	28,663	35,860
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	6,650	3,900
Share capital	1,065	1,065
Share premium	2,060	2,060
Non distributable reserve	5,782	5,782
Revaluation reserve	1,232	1,232
Foreign currency translation reserve	(925)	(915)
Shareholders loan	1,973	1,973
Retained earnings	(4,537)	(7,297)
Non controlling interest	-	(3,027)
Total equity	6,650	873
Non current liabilities	7,044	8,800
Borrowings	4,289	5,131
Other payables	734	1,639
Deferred consideration	1,145	1,154
Deferred tax liabilities	876	876
Current liabilities	10,065	11,457
Trade and other payables	6,175	6,826
Deferred consideration	350	498
Borrowings	3,540	4,133
Liabilities directly associated with the assets held for sale	4,904	14,730
TOTAL EQUITY AND LIABILITIES	28,663	35,860

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2016

	2016 June USD 000	2015 June USD 000
Continuing operations		
Revenue	12,120	12,140
Operating costs	(10,483)	(12,141)
Other Operating Income	270	290
Earnings before interest, tax, depreciation and amortisation	1,907	289
Depreciation and amortisation	(1,238)	(1,182)
Operating profit / (loss)	669	(893)
Finance costs	(740)	(196)
Loss before taxation from continuing operations	(71)	(1,089)
Income tax charge	-	-
Loss for the half year from continuing operations	(71)	(1,089)
Discontinued operations		
Profit / (loss) after tax for the half year from discontinued operations	2,606	(1,201)
Profit / (loss) for the half year	2,535	(2,290)
Other comprehensive income:		
Exchange differences on translation of foreign operations	(10)	(32)
Total comprehensive income / (loss) for the half year, net of tax	2,525	(2,322)
Profit / (loss) for the half year attributable to:		
Owners of the parent	2,760	(1,994)
Non-controlling interest	(225)	(296)
Total comprehensive profit / (loss) attributable to:	2,535	(2,290)
Owners of the parent	2,750	(2,026)
Non-controlling interest	(225)	(296)
Profit / (loss) per share (cents)		
Basic	2.38	(2.15)
Diluted	2.38	(2.15)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2016

	Attributable to equity shareholders of the parent						Retained earnings USD 000	Non controlling interest USD 000	Total equity USD 000
	Share capital USD 000	Share premium USD 000	Non-distributable reserves USD 000	Revaluation reserve USD 000	Foreign currency translation reserve USD 000	Shareholders loans USD 000			
Balance as at 1 January 2015	1,065	2,060	5,782	1,232	(779)	320	(3,534)	(2,505)	3,641
Comprehensive (loss)/income									
(Loss) for the half year	-	-	(263)	-	-	-	(1,994)	(296)	(2,290)
Disposal of subsidiary	-	-	-	-	-	-	263	-	-
Other comprehensive income									
Currency translation differences	-	-	-	-	(32)	-	-	-	(32)
Total Comprehensive Income	-	-	(263)	-	(32)	-	(1,731)	(296)	(2,322)
Balance as at 30 June 2015	1,065	2,060	5,519	1,232	(811)	320	(5,265)	(2,801)	1,319
Balance as at 1 January 2016	1,065	2,060	5,782	1,232	(915)	1,973	(7,297)	(3,027)	873
Comprehensive income									
Profit / (loss) for the half year	-	-	-	-	-	-	2,760	(225)	2,535
Change in degree of control	-	-	-	-	-	-	-	3,252	3,252
Other comprehensive income									
Currency translation differences	-	-	-	-	(10)	-	-	-	(10)
Total Comprehensive Income	-	-	-	-	(10)	-	2,760	3,027	5,777
Balance as at 30 June 2016	1,065	2,060	5,782	1,232	(925)	1,973	(4,537)	-	6,650

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 30 June 2016

	2016 June USD 000	2015 June USD 000
Net cash generated / (utilised) from operating activities	2,033	(104)
Cash generated/(utilised) from operations	1,258	(1,088)
Depreciation	1,238	1,186
Interest paid	(456)	(196)
Taxation paid	(7)	(6)
Net cash utilised in investing activities	(926)	(1,576)
Purchase of property, vehicles and equipment	(899)	(2,170)
Cash disposed from change in degree of control	(534)	-
Proceeds from sale of property, vehicles and equipment	507	594
Net cash (utilised) / generated from financing activities	(1,233)	810
Proceeds from borrowings	1,844	3,210
Repayments of borrowings	(3,077)	(4,202)
Net decrease in cash and cash equivalents	(126)	(870)
Cash and cash equivalents at 1 January	(575)	(209)
Net foreign exchange differences	5	(5)
Cash and cash equivalents at 30 June	(696)	(1,084)
Comprising:		
Bank balances and cash:		
Continuing	151	245
Discontinued	50	72
Total Bank Balances and Cash	201	317
Bank overdraft	(897)	(1,401)
Cash and cash equivalents at 30 June	(696)	(1,084)

SUPPLEMENTARY INFORMATION TO THE ABRIDGED FINANCIAL RESULTS

General Information
Unifreight Africa Limited (formerly Pioneer Corporation Limited) was incorporated in Zimbabwe in 1970. It is a holding company of a group of companies primarily involved in the road transport industry whose activities include inter-city freight consolidations, the distribution of general goods, and an international courier service.

The Company is incorporated in Zimbabwe. Other entities in the group are incorporated in South Africa and Botswana. The Company is listed on the Zimbabwe Stock Exchange. The group consolidated financial statements from which these abridged consolidated financial results have been extracted have been prepared in United States Dollars, which is the functional currency of the group.

Accounting policies
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The policies applied are consistent with those applied in previous years.

Trade and other receivables

	2016 Jun USD 000	2015 Dec USD 000
Current		
Trade receivables	2,799	3,127
Receivables due from related parties	436	953
Less: provision for impairment	(531)	(390)
Trade receivables net	2,704	3,690
Prepayments	153	1,054
Staff debtors	5	29
Vat receivable	14	12
Other debtors	658	1,598
Trade and other receivables	3,534	6,383

Discontinued operations
The Board of Directors resolved on 4 December 2014 to close its subsidiary Pioneer Clan (Botswana) (Proprietary) Limited "PCB", based in Botswana. It was also decided, at the same meeting, to sell Pioneer Coaches (Private) Limited "PC", and Mavambo Coaches (Proprietary) Limited "MC".

At 31 December 2014 PCB, PC and MC were classified as assets/liabilities held for sale and as discontinued operations.

The Board of Directors resolved on 8 December 2015 to dispose of PXL Freight and Logistics Limited "PXL". The group expects to complete the disposal of PXL by 31 December 2016.

The Board of Directors resolved on 26 June 2015 to sell the group's 51% holding in Tredcor Zimbabwe (Private) Limited "Tredcor".

At 31 December 2015 Tredcor and PXL were classified as assets/liabilities held for sale and as discontinued operations.

Trade and other payables

	2016 Jun USD 000	2015 Dec USD 000
Non-current		
Other payables	734	1,639
Other payables	734	1,639
Current		
Trade payables	2,037	2,948
Payables due to related parties	88	225
Accrued expenses	572	240
Social security/statutory liabilities	3,478	3,413
Trade and other payables	6,175	6,826

Non-controlling interest

As at 29 June 2016 Tredcor, incorporated in Zimbabwe and operating in the tyre-retreading tyre selling sector, had a material non-controlling interest of 49%.

The following is the summarised financial information for Tredcor, prepared in accordance with IFRS 12. The summary shows financial information before IFRS 5 eliminations of transactions between continuing operations and discontinued operations:

	2016 June USD 000	2015 June USD 000
Revenue	3,035	2,853
Loss for the half-year	(459)	(603)
Loss attributed to NCI	(225)	(296)
Other comprehensive income	-	-
Total comprehensive loss	(459)	(603)
Total comprehensive loss attributed to NCI	(225)	(296)
Non-current assets	480	380
Current assets	3,292	3,326
Non-current liabilities	(7,844)	(6,185)
Current liabilities	(2,565)	(3,236)
Net liabilities	(6,637)	(5,715)
Net liabilities attributable to NCI	(3,252)	(2,801)

As at 30 June 2016 the group has a 51% non-controlling interest in unquoted equity shares of Tredcor which was previously disclosed as a discontinued operation. On 23 March 2015 the group decided to focus its efforts solely on the Swift and Bulwark operation and ceased to exercise its rights to direct the management and financial activities of Tredcor. The formalisation of this decision, due to IFRS 10 accounting rules, resulted in a profit of \$3.385m. The investment in Tredcor is accounted for as a financial-asset in accordance with IFRS 9. The Board of Directors remains committed to selling this investment. The fair value of the assets and liabilities previously disclosed as a discontinued operation were as follows:

	2016 June USD 000
Assets	3,772
Liabilities	(10,409)
Net liabilities	(6,637)
Net cash outflow	(534)

Borrowings

Borrowings represent facilities for capital expenditure and working capital. The interest rates are between 10.5% and 15%.

	2016 Jun USD 000	2015 Dec USD 000
Shareholder loans	4,291	5,554
Equity component of shareholders loan	1,973	1,973
Finance lease liabilities	2,641	2,727
Bank overdraft	897	983
Total	9,802	11,237

i) Shareholder loans

The loans are from the major shareholders and are denominated in United States Dollars. These loans are unsecured, interest free and are repayable within five (5) years. The shareholder loans were used to fund the capital expenditure requirements of the business.

The interest free shareholder loans are disclosed at their net present values after discounting by a rate of 12% which is the average borrowing rate for the group from third parties. The transfer to equity is as a result of the discounting and amount transferred is the difference between the net present value of the loans and the face value of the loans. The loans transferred to equity have no dilutive effect.

ii) Finance lease liabilities

Lease liabilities relate to finance lease arrangements entered into to procure revenue generating vehicles. The amounts are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The interest rates are between 12-15% and the liabilities will be repaid in full by May 2018. The lease liability is also secured by immovable group properties with a carrying amount of USD 1,766,512 as at 30 June 2016.

iii) Bank overdraft

The bank overdraft, with a limit of USD 1,000,000, is secured by a first charge on a group property with a carrying amount of USD 2,215,670 as at 30 June 2016.

The facility expired on 31 May 2016. It was renewed with a limit of \$ 1,500,000 in August 2016, with a 10.5% annual interest rate, compounded monthly.

Finance cost

Finance cost comprises the following:

	2016 June USD000	2015 June USD000
Interest paid on loans and overdraft	313	196
Interest paid on deferred consideration	105	-
Deemed interest on interest free shareholder loans	322	-
Finance cost	740	196

Capital expenditure

Acquisition of property, vehicles and equipment

	2016 June USD000	2015 June USD0
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