

ANNUAL

REPORT

2024/25



Annual performance plan targets attained

Quality certification retained

Number of employees impacted via world-class manufacturing cost improvements at contracted suppliers

Successful implementation of incubation of learners in e-mobility

After-market SMMEs supported

Fraud and ethics issues reported

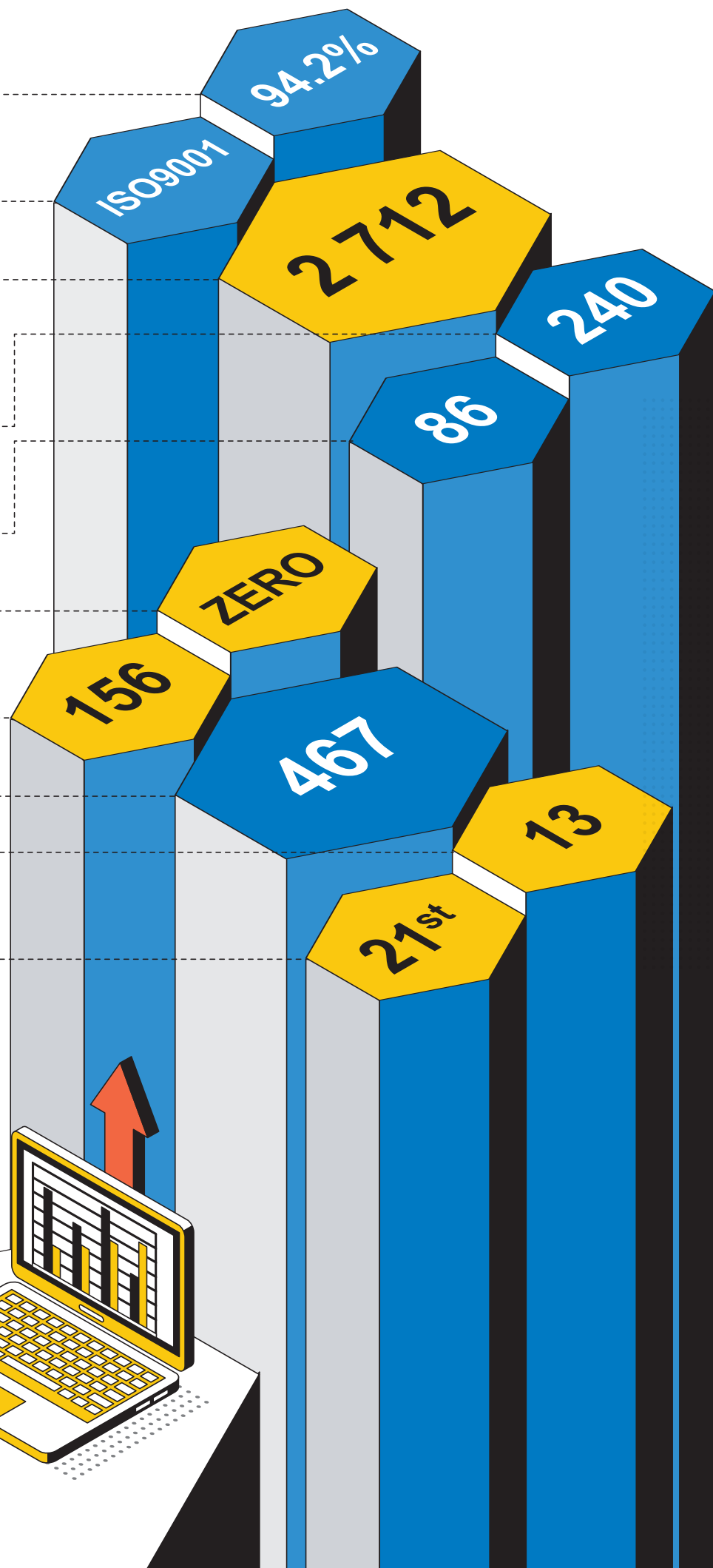
Bursaries awarded for digital skills in engineering

Skilled employees trained towards world-class manufacturing

Installation of EV charging stations in the Eastern Cape

Consecutive unqualified audit

PERFORMANCE HIGHLIGHTS



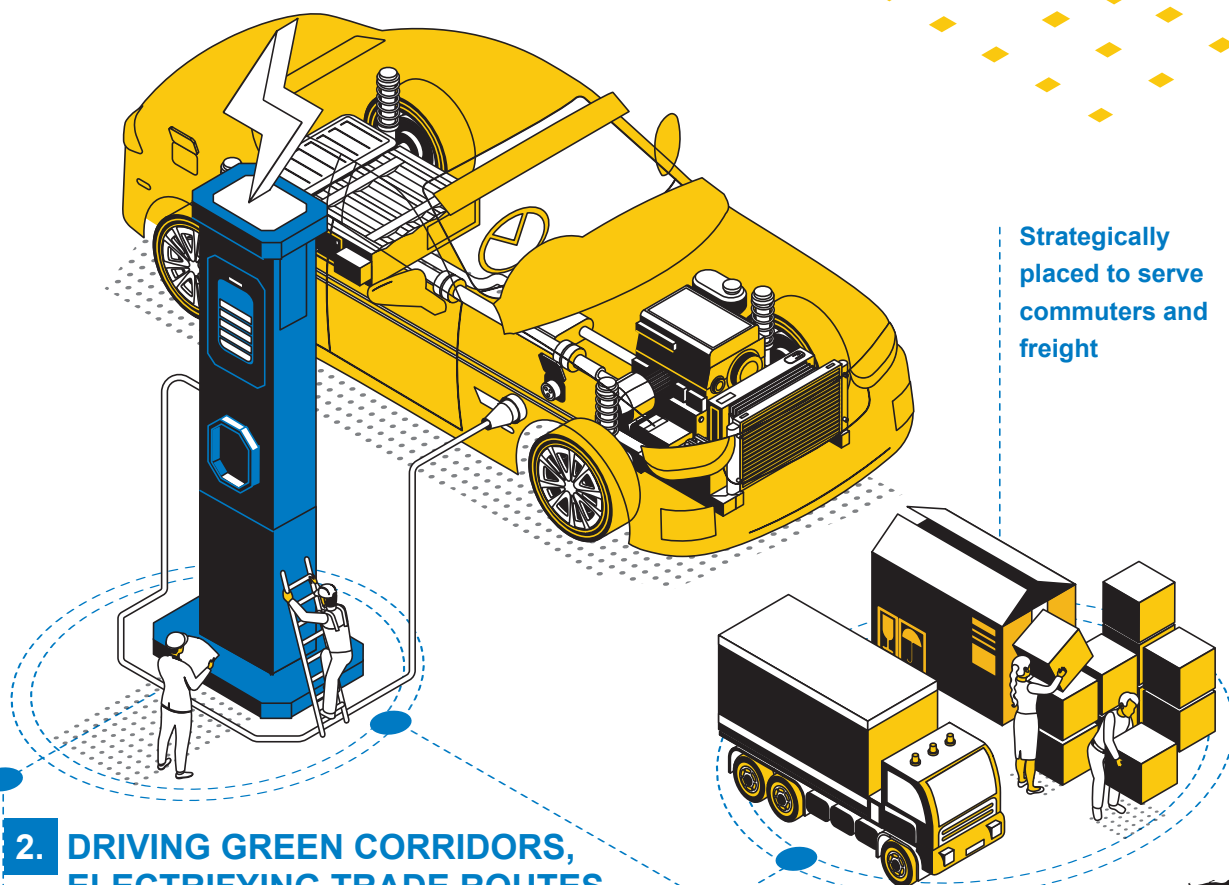
GREEN CORRIDORS, WIRED FOR THE FUTURE:

EASTERN CAPE'S BOLD CHARGING NETWORK

1. POWERING THE EASTERN CAPE'S EV FUTURE

As South Africa's automotive hub, the Eastern Cape is advancing a smart, sustainable EV charging network. With over a dozen key stations along major routes, N2, N6, N9, and N10, the province is ready to support a just energy transition and future-focused mobility. This rollout aligns with AIDC-EC's EV Strategy to drive clean transport investment and infrastructure resilience.





Strategically
placed to serve
commuters and
freight

2. DRIVING GREEN CORRIDORS, ELECTRIFYING TRADE ROUTES

From the coast to the Karoo, Nelson Mandela Bay to inland arteries, the growing EV grid is transforming the province into a green logistics corridor. Strategically placed to serve commuters and freight, these stations enable low-carbon transport and stronger regional links, supporting the Eastern Cape Automotive Masterplan's goals to decarbonise, industrialise, and lead in EV adoption.

3. INFRASTRUCTURE THAT ACCELERATES INDUSTRIAL TRANSFORMATION

Mapped across key highways, this EV network reflects AIDC-EC's commitment to industrial modernisation and energy-efficient mobility. It boosts local EV uptake and strengthens the province's role in global green value chains. As OEMs and suppliers shift to new energy vehicles, the infrastructure ensures the Eastern Cape stays agile, investable, and aligned with national decarbonisation targets.

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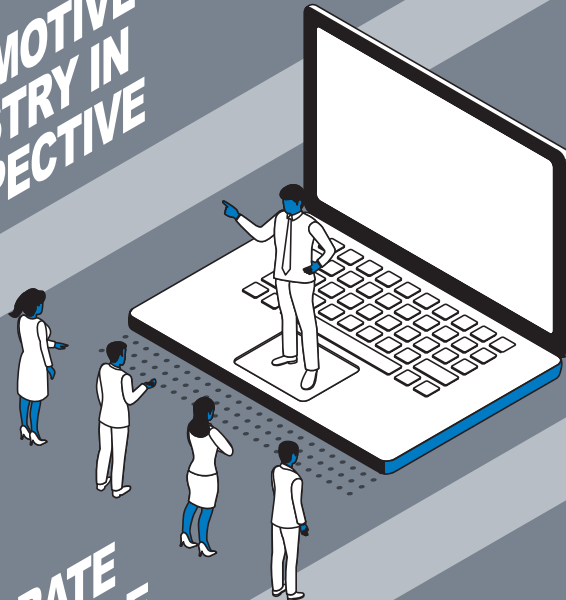
AUTOMOTIVE INDUSTRY IN PERSPECTIVE

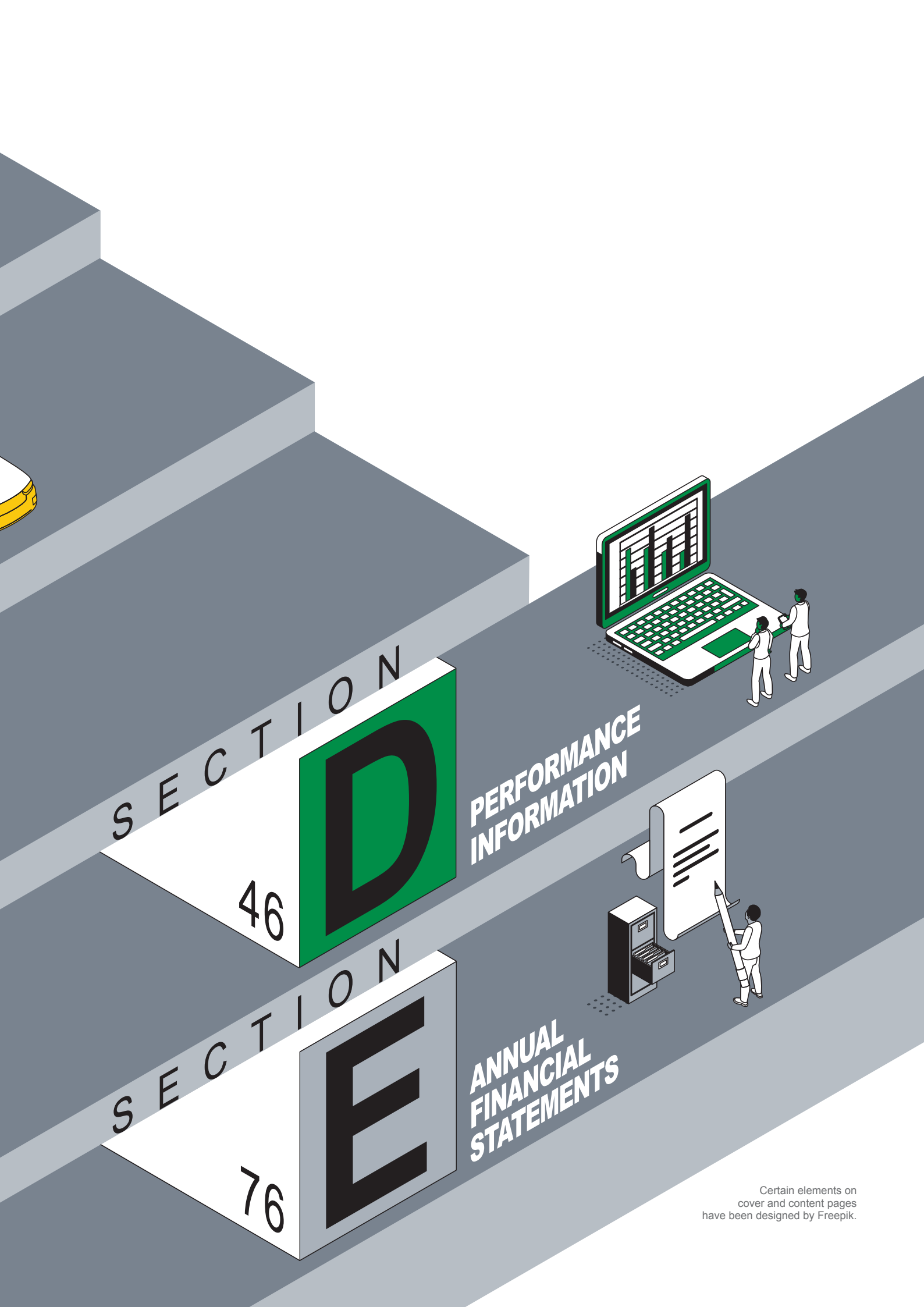


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CORPORATE GOVERNANCE





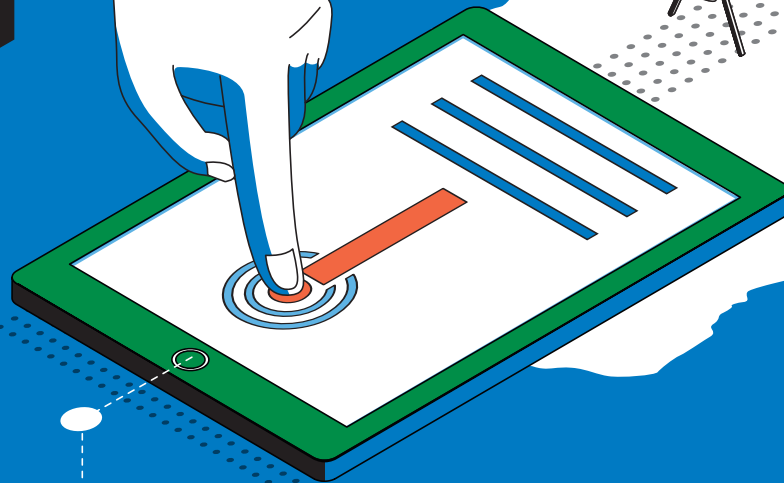
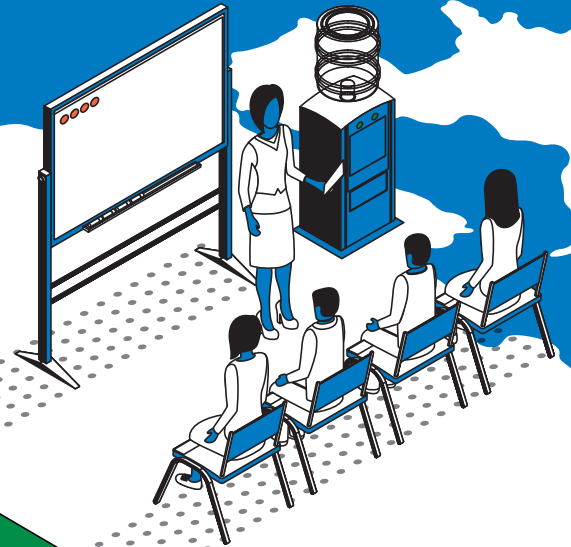
Certain elements on
cover and content pages
have been designed by Freepik.

LIST OF ACRONYMS

AAAM	African Association of Automotive Manufacturers	GVC	Global Value Chain
ACEA	European Automobile Manufacturers' Association	GVP	Global Vehicle Production
ACMA	Automotive Component Manufacturers Association	HRA	Health Risk Assessment
ADAS	Advanced Driver Assistance Systems	IATF	International Automotive Task Force
AfCFTA	African Continental Free Trade Area	ICE	Internal Combustion Engine
AIDC-EC	Automotive Industry Development Centre Eastern Cape	IMS	Integrated Management Systems
AITF	Automotive Industry Transformation Fund	ISO	International Standards Organisation
ALT	Automotive Localisation Testing	KPA	Key Performance Area
AOTS	Association for Overseas Technical Cooperation	KPI	Key Performance Indicator
APP	Annual Performance Plan	MBSA	Mercedes-Benz South Africa
B-BBEE	Broad-Based Black Economic Empowerment	MEC	Member of the Executive Council
BDA	Business Diagnostic Assessment	merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
BEV	Battery Electric Vehicle	MoU	Memorandum of Understanding
BRICS	Brazil, Russia, India, China and South Africa	MTEF	Medium-Term Expenditure Framework
CAD	Computer-Aided Design	NAACAM	National Association of Automotive Component and Allied Manufacturers
CBAM	Carbon Border Adjustment Mechanism	naamsa	National Association of Automobile Manufacturers of South Africa
CKD	Completely Knocked Down	NDP	National Development Plan
COBIT	Control Objectives for Information and Related Technologies	NEV	New Energy Vehicle
COEGA	Coega Development Corporation (Coega)	NMBC	Nelson Mandela Bay Chamber
COIDA	COIDA – Compensation for Occupational Injuries and Diseases Act	OEM	Original Equipment Manufacturer
CSIR	Council for Scientific and Industrial Research	PDP	Provincial Development Plan
CCMA	Commission for Conciliation, Mediation and Arbitration	PFMA	Public Finance Management Act
DEDEAT	Eastern Cape Department of Economic Development, Environmental Affairs and Tourism	QCTO	Quality Council for Trades and Occupations
dtic	Department of Trade, Industry and Competition	QMS	Quality Management System
ECDC	Eastern Cape Development Corporation	R&D	Research and Development
ELIDZ	East London Industrial Development Zone	SABS	South African Bureau of Standards
EU	European Union	SAAM	South African Automotive Masterplan
EV	Electric Vehicle	SAQA	South African Qualifications Authority
E-mobility	Electric Mobility	SMME	Small, Medium, and Micro Enterprises
ECSA	Engineering Council of South Africa	SEZ	Special Economic Zone
FCEV	Fuel Cell Electric Vehicles	SOC	State-Owned Corporation
FDI	Foreign Direct Investment	STEAM	Science, Technology, Engineering, Art and Mathematics
GDP	Gross Domestic Product	TPM	Total Production Maintenance
GITs	Interns and Graduates in Training	TVET	Technical Vocational Education and Training
GMMDC	Govan Mbeki Maths Development Centre	UNIDO	United Nations Industrial Development Organization
		VWSA	Volkswagen South Africa
		WCM	World Class Manufacturing
		WEF	World Economic Forum
		WIL	Work Integrated Learning
		WTO	World Trade Organization

SECTION

A



GENERAL INFORMATION

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1. STATEMENT OF RESPONSIBILITY
2. AIDC-EC IN CONTEXT
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GENERAL INFORMATION

A	REGISTERED NAME	AIDC EASTERN CAPE (SOC) Ltd
B	COMPANY REGISTRATION NUMBER	2003/018741/30
C	VAT NUMBER	4430210171
D	PHYSICAL ADDRESS	70 Prince Alfred Road Nelson Mandela Bay Stadium, Level 5 Gqeberha, Eastern Cape South Africa ----- <i>Kindly use Entrance 1 and Entrance 2 on Fettes Road</i>
E	TELEPHONE NUMBER	+27 (0)41 393 2100
F	EMAIL ADDRESS	info@aidcec.co.za
G	WEBSITE ADDRESS	www.aidcec.co.za
H	EXTERNAL AUDITORS	Nexia SAB&T, Number 921785A 99 Cape Road Mill Park Gqeberha, Eastern Cape South Africa
I	BANKERS	Standard Bank South Africa
J	COMPANY SECRETARY	Yogavelli Naidoo

MESSAGE FROM THE PROVINCIAL GOVERNMENT



MEC, Ms Nonkqubela Pieters:

The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)

The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) MEC, Ms Nonkqubela Pieters, indicated that the Eastern Cape government had taken a proactive approach to support the adoption of electronic vehicles (EVs).

The Eastern Cape played a significant role in the automotive industry, which had a substantial impact on the economy, with major players such as Mercedes-Benz SA and Volkswagen Group Africa. The sector celebrated 100 years of automotive manufacturing in SA since the first local assembly of the Model T, utilising completely knocked-down (CKD), in Gqeberha back in 1924.

The Eastern Cape government has invested R18 million towards the installation of 13 public universal EV charging stations across the province. The Automotive Industry Development Centre Eastern Cape (AIDC-EC) has been commissioned to oversee the roll-out of these charging stations in various strategic locations within the Eastern Cape.

The province is strategically aligning itself to lead the transition towards New Energy Vehicles (NEVs). The ultimate goal is to foster a dynamic province that supports sustainable growth and development. The province aims to position itself as an attractive destination for both investors and tourists.

The economic benefits of EVs compared to traditional petrol or diesel-powered vehicles are significant. A 45-minute charge can provide approximately 450 km of range. This initiative aims to keep pace with the anticipated surge in NEV adoption and expand the supporting charging infrastructure. This transformation is driven by climate change mitigation legislation and technological advancements, prompting government policy support for EV manufacturing and sales in South Africa.

Key highlights of this project include:

Strategic Locations: Roll-out of charging stations in strategic locations that will ensure widespread accessibility across the province and reduce range anxiety.

Partnerships: Collaboration with local stakeholders and leveraging resources and existing infrastructure to provide seamless charging solutions.

Sustainability: Contributing to a cleaner, greener future for the Eastern Cape and minimising the country's impact.

Government Support: Alignment with the Eastern Cape Provincial Government's goals and the EV White Paper's emphasis on transitioning to EVs.

SHAREHOLDER'S FOREWORD



The AIDC-EC, an entity of the Eastern Cape Development Corporation (ECDC), is mandated to provide dedicated, measurable support and direction to promote and enable growth in the automotive sector.

The Eastern Cape is a leading hub for South Africa's automotive industry, housing 42% of the National Association of Automotive Component and Allied Manufacturers (NAACAM) directory, suppliers and four of the seven major original equipment manufacturers (OEMs), including FAW and BAIC. Alongside industry leaders such as BMW, Nissan, Ford, and Toyota, these OEMs are crucial to the nation's automotive exports and production. These regional giants contribute to approximately 50% of South Africa's light vehicle exports and 43% of vehicle production. This sector is the largest employer in the Eastern Cape.

The sector deserves robust support from the Eastern Cape Province, and the AIDC-EC has once again demonstrated its effectiveness in providing this support.

This is evident through the sector support measures implemented as well as the positioning of the Eastern Cape as a major player in promoting and developing initiatives towards the transformation of the automotive sector. To support the sector's economic drive, the AIDC-EC executes projects that are geared towards enhancing skills, promoting industry and Eastern Cape province competitiveness, driving and safeguarding job creation, and fostering transformation amongst others.

As the Shareholder and on behalf of the Eastern Cape Provincial Government, we are committed to supporting the automotive industry as a major driver in the socio-economic development and growth of the province, confident that the AIDC-EC is a vital asset and enabler in this endeavour.

Both government and private sector players are actively championing electric mobility as a sustainable and forward-looking alternative to traditional internal combustion engines. In this gear shift, we are pleased to see the installation of 13 electric vehicle (EV) charging stations by the AIDC-EC within the Eastern Cape, with the installation of an additional two charging stations to be completed in the next financial year.

I would like to thank the AIDC-EC Board of Directors, the Board Committees, management and staff for yet another impactful year in the efforts of the Eastern Cape province to grow and sustain the automotive sector.

Ayanda Wakaba

Chief Executive Officer: ECDC

STATEMENT OF THE BOARD CHAIRPERSON



Following the Centennial Celebration of the Automotive sector, this milestone offers a reflection on the industry's growth, achievements, and future opportunities, reinforcing its role in the economy.

Vehicle sales worldwide increased from 92.5 million units in 2023 to 95.3 million units in 2024. As the industry shifts toward EVs, strong partnerships between the government and the private sector are crucial for future industry growth. The current stability in the electricity supply brings the necessary relief to the industry.

These positive indicators, however, are reported against a huge uncertainty in the automotive industry worldwide, which will be exacerbated by the varied tariff regimes implemented by the US administration. There are some adverse industry announcements that are not assisting the situation either.

It is pleasing to report that the AIDC-EC has achieved most of its annual targets outlined in the Corporate Plan, as highlighted in the Performance, with a special emphasis on the 13 charging stations installed in various locations throughout the Eastern Cape. The entity maintains a high-performance culture and remains committed to ensuring adherence to good governance by strengthening its internal control environment and enhancing its risk management culture, supported by effective internal and external audit services.

Several positive economic indicators suggest that 2025 could be a year of recovery for South Africa's automotive industry despite the targeted approach of the US tariff regimes. The implementation of two interest rate cuts at the end of 2024 would have eased pressure on consumers. Predicted rate cuts in 2025 could enhance vehicle affordability and some stability in this front.

On behalf of the Board, I extend my gratitude to the Chief Executive Officer (CEO) and his very competent, committed, and hard-working team for the overall performance, which will be elaborated upon in the rest of the report.

The Board also extends its word of gratitude to our shareholder, ECDC and DEDEAT Eastern Cape, from whom the AIDC-EC also enjoys support.

"Excellence is not a destination but a continuous journey that never ends"

Phumzile Zitumane

Chairperson: AIDC-EC Board

CHIEF EXECUTIVE OFFICER'S OVERVIEW



In the year under review, AIDC-EC continued with strong performance in supporting the objectives of the South African Automotive Masterplan (SAAM 2035), whilst implementing heightened control over its governance structures within the entity.

In my capacity as the Chief Executive Officer of the AIDC-EC, I am honoured to be part of a dynamic Board and the executive team at this critical time, when the people of the Eastern Cape truly need my services to fulfil this purpose. This is indeed what I call “a calling”, so to speak.

SAAM 2035 is meant to achieve “a globally competitive and transformed sector in South Africa that actively contributes to the sustainable development of our economy, meant to create prosperity for industry stakeholders and broader society”.

For the year under review, with technical assistance from the World Bank and the National Treasury, we successfully developed a Provincial Automotive Masterplan 2035, aligned with the objectives of the SAAM 2035. We ensured that the Provincial Automotive Masterplan is aligned with the Green and White Paper on NEV, the Green Transport Strategy, and all other progressive Government prescripts supporting the automotive sector.

The objectives are meant to address critical areas of growth for the sector, including localisation, transformation, skills development, and supporting investors and global supplier competitiveness – all of which are pillars of both SAAM 2035 and the Provincial Automotive Masterplan. Achieving these pillars would have far-reaching socio-economic benefits for the Eastern Cape.

I am happy to report that, with the available budget, it is indeed gratifying to have achieved 94.2% of our annual targets, a slight upward trend (93.3%) on performance from the previous year, under difficult economic and global automotive sector climate conditions.

During the year under review, despite an extremely challenging period in the automotive sector globally, the following highlights can be recorded:

- Provincial Automotive Masterplan 2035:**
 The World Bank Group, together with the AIDC-EC, developed this masterplan for the Eastern Cape province to guide a 10-year roadmap of key activities needed to support the automotive sector in our province. Lessons were drawn from the 100 years of experience of automotive engineering in the Eastern Cape, different studies and projects implemented over the years, alignment to different government policies and the AIDC-EC's experiences over the past four years.

Different structures of our provincial leadership have endorsed this masterplan, looking ahead to the next 10 years.

- **Transition towards NEVs:** Our province now has a comprehensive strategy in place for supporting its endeavours towards a greener economy. The entity was also able to successfully implement a project of installing 13 EV charging stations in all key areas of our province, with two additional stations set for completion in the next financial year. This confirmed that the Eastern Cape has the most reliable charging network in the country. I can safely confirm now that anybody can drive anywhere in the province, and you will find a charging station.
- **Supporting Component Suppliers:** This function remains a cornerstone of the work done by our young team of engineers, where we support component suppliers with production efficiency management. Suppliers are major job creators in our province, and they drive manufacturing activities in the Eastern Cape. During the year under review, the AIDC-EC was able to support 72 suppliers, who are responsible for employing 2712 people, with competitiveness improvement.
- **Support to SMMEs in the Aftermarket Industry:** designed to support panelbeater and autobody repairers, the Premier of the province pronounced in 2023 that support must be provided to 300 SMMEs over 3 years to provide access to markets and improve their compliance with automotive standards. During the period under review, a total of 106 SMMEs were assessed and provided with Health and Safety Compliance, in preparation to support government fleet maintenance.
- **Providing Quality Future Skills:** A partnership with Nelson Mandela University has assisted the AIDC-EC to provide engineering bursaries to 156 students. The most critical issue that the AIDC-EC is trying to ensure is that the engineering curriculum in the province is improved in our Institutions of higher learning.

More partnerships with WSU and the TVET Colleges will be pursued from the next financial year.

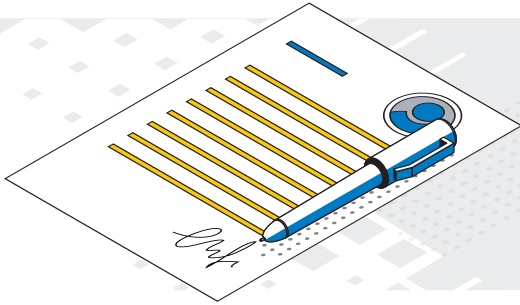
The AIDC-EC proudly continues to hold its QMS ISO 9001 certification, its membership with NAACAM, Automotive Business Council (naamsa), and the Africa Association of Automotive Manufacturing (AAAM), which have been instrumental in supporting the work of the AIDC-EC and the Provincial Government of the Eastern Cape.

Lastly, I cannot end this section without a special mention and a word of gratitude to my Board of Directors, led by our Chairperson, Mr Phumzile Zitumane. Their leadership and guidance have been highly instrumental in guiding the work of the AIDC-EC. To my able executive team and all AIDC-EC staff, they are all God-sent; they remain a source of inspiration to me. They are hardworking men and women who have the interest of the people of the province at heart. With that, I salute them all.

Thabo Shenxane
Chief Executive Officer: AIDC-EC

1. STATEMENT OF RESPONSIBILITY

The Board acknowledges its responsibility to ensure the integrity of the report. It has accordingly applied its mind to the report, and in the opinion of the Board, it addresses material issues and represents fairly the performance of the AIDC-EC.



The report has been prepared in keeping with best practices, pursuant to the recommendations of the King Report on Corporate Governance (King Report) information for the year ended 31 March 2025.

2. AIDC-EC IN CONTEXT

The AIDC-EC, a wholly owned ECDC subsidiary, was incorporated in 2003. Its enabling legislation is the Companies Act 71 of 2008 and the Public Finance Management Act (PFMA) 1999, as amended. The entity is a government business entity or a schedule 3D subsidiary of the ECDC.

The AIDC-EC as an economic development entity has established its strategic objectives enshrined in SAAM 2035, an industry standard which ensures key priority outputs that align with the National Development Plan 2030 of the country.

Vision:

A leading catalyst for a transformed, growing and sustainable automotive sector in the Eastern Cape



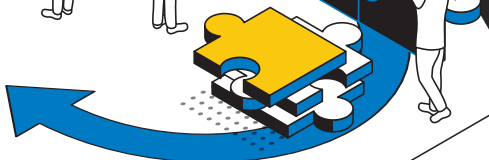
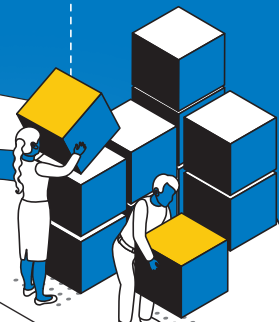
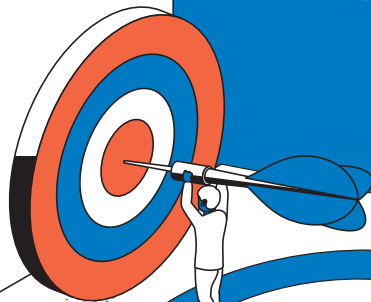
MISSION:

To facilitate collaboration between the Government and all its automotive sector stakeholders to achieve competitiveness in the Eastern Cape:

- Grow the Eastern Cape and South African industry's global competitiveness
- Support the government's Industrial development related objectives
- Contribute to the government and industry's goals of continuous growth and sustainable job creation skills development

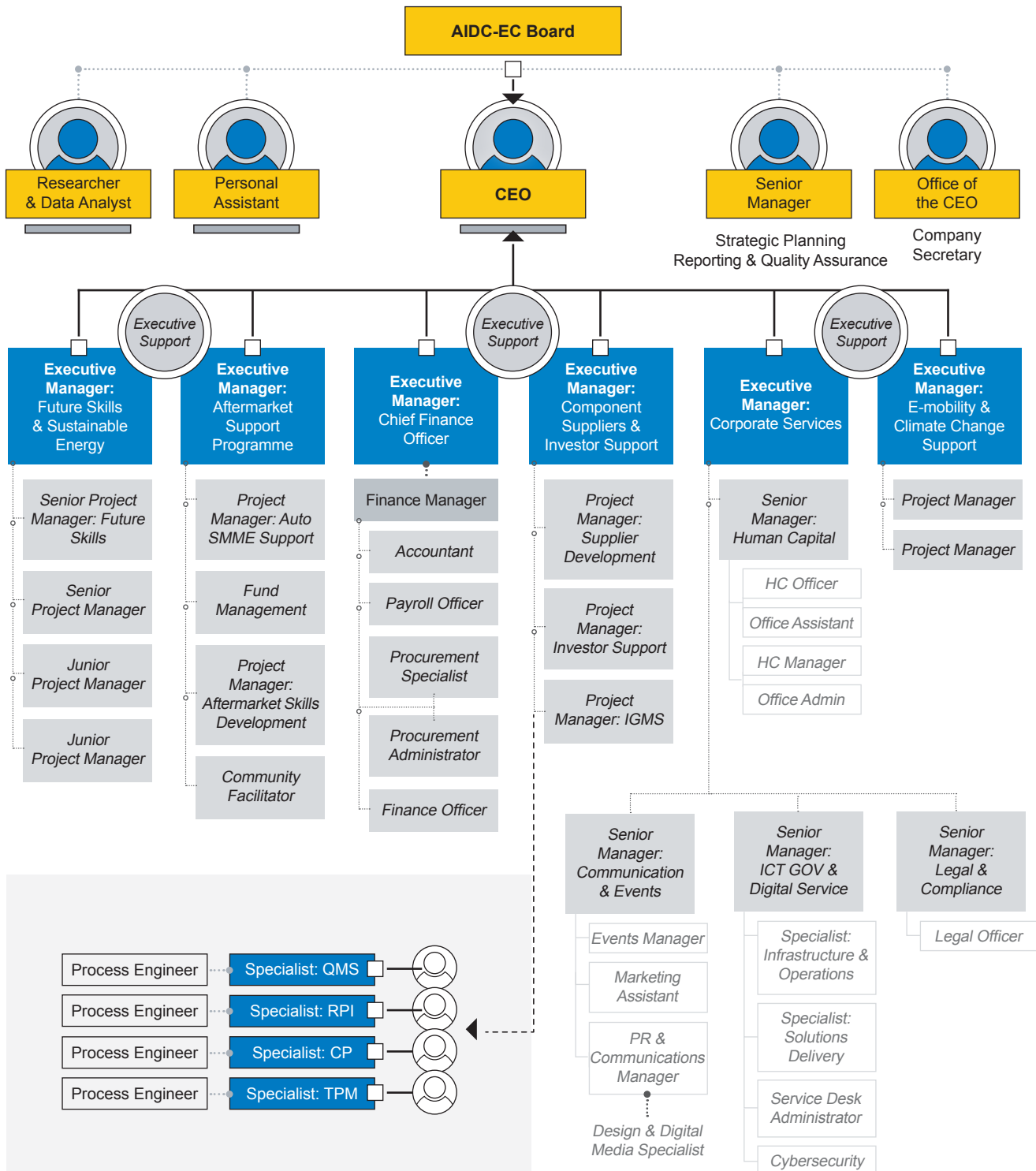
VALUES:

Integrity; Respect;
Excellence; Service;
Responsive; and
Transformative



3. ORGANISATIONAL STRUCTURE

During the year in review, the AIDC-EC reviewed its strategy and organisational structure in line with business demands. The executive team supports the CEO to deliver on its mandate. Each business unit has a team of well-qualified personnel to deliver excellent service to the industry and stakeholders.



SECTION

B



AUTOMOTIVE SECTOR IN PERSPECTIVE

1. INTERNATIONAL
LANDSCAPE
2. AFRICA OUTLOOK
3. SOUTH AFRICA OUTLOOK
4. EASTERN CAPE OUTLOOK

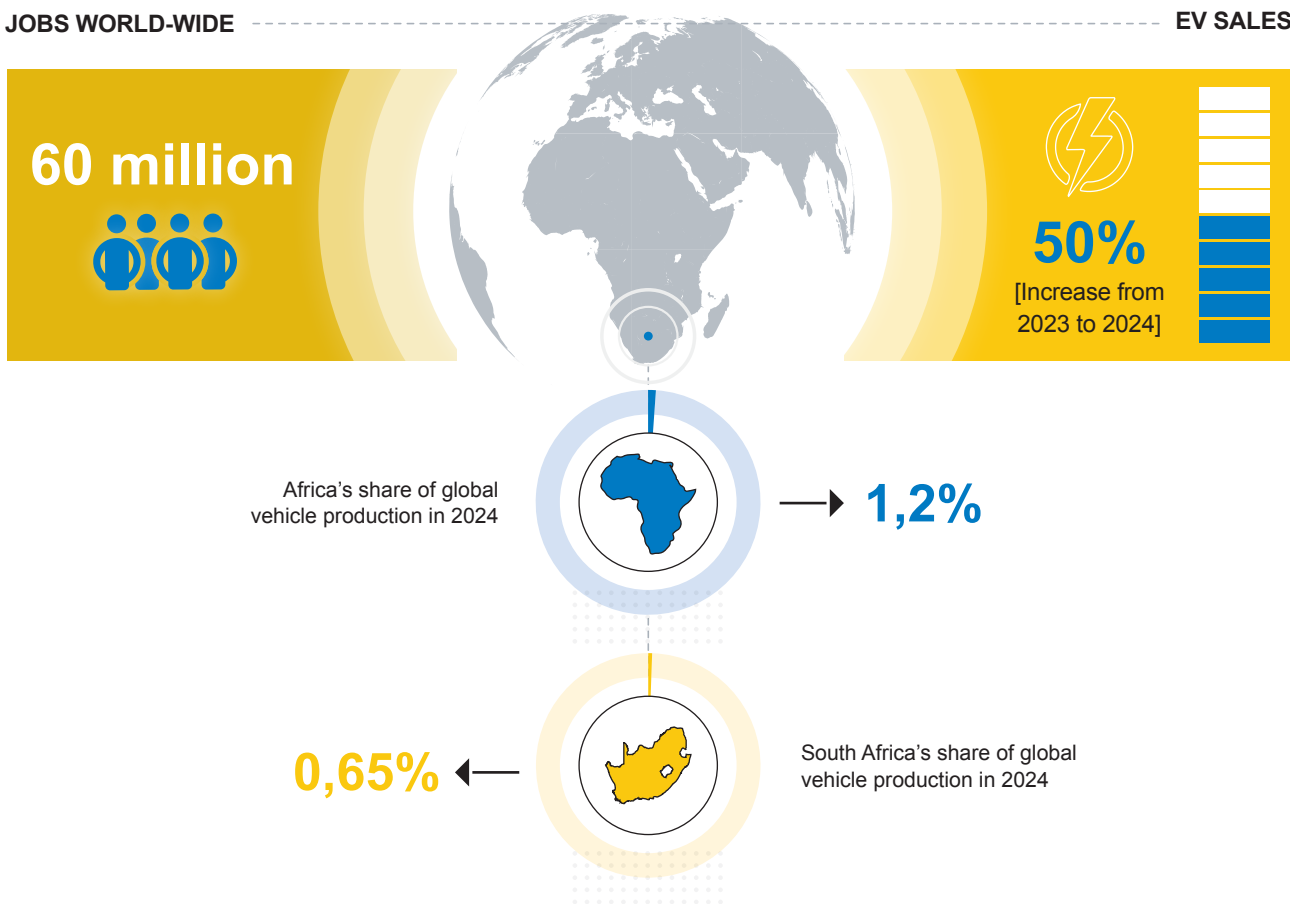
1. INTERNATIONAL LANDSCAPE

1.1 GLOBAL VEHICLE SYNOPSIS

Vehicle sales worldwide increased from 92.5 million units in 2023 to 95.3 million units in 2024. The rise in electric vehicle (EV) sales plays a crucial role in this growth, indicating a shift toward more sustainable transportation options.

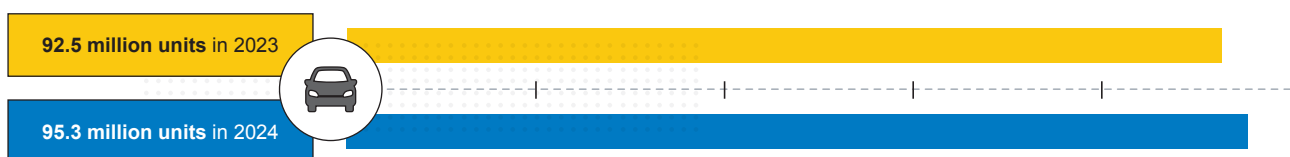
JOBS WORLD-WIDE

EV SALES



Tesla Model 3 EV among the top five selling cars world-wide

Increase in vehicle sales worldwide

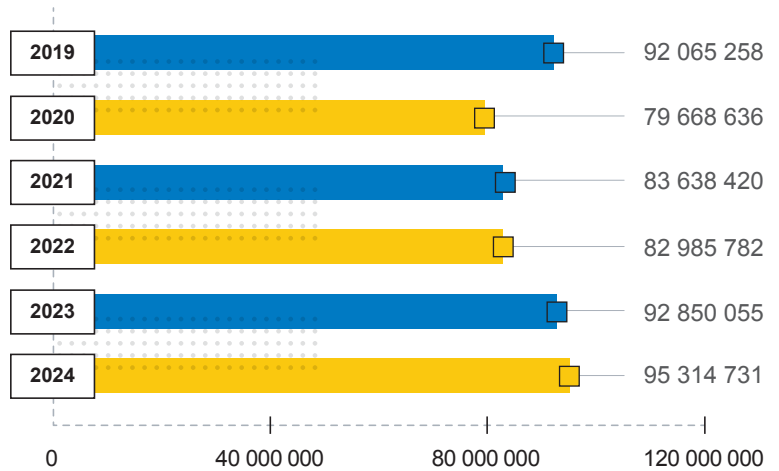


Source: OICA

Global Sales:

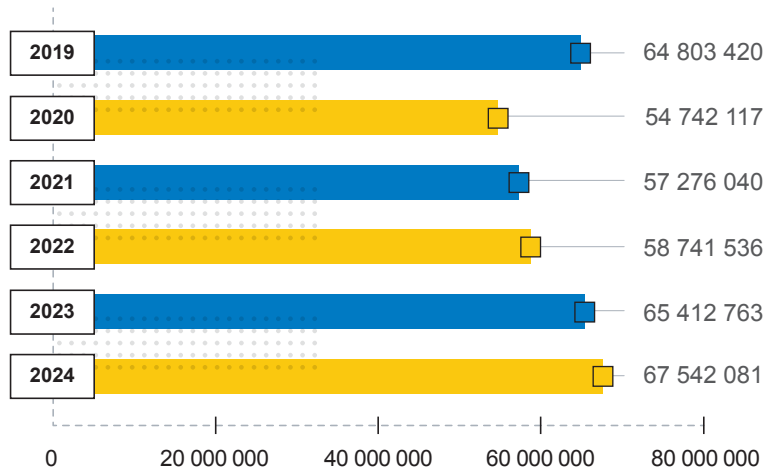
All Vehicles

New vehicle sales experienced modest growth in 2024, increasing by 2.7% to 95.3 million units, compared to 92.9 million units sold in 2023. The automotive industry showed a clear divide during the year, with traditional original equipment manufacturers (OEMs) from Europe, Japan, and the United States (US) struggling with declining sales and undergoing restructuring. Among the world's 20 largest manufacturers, 14 are based in these regions.



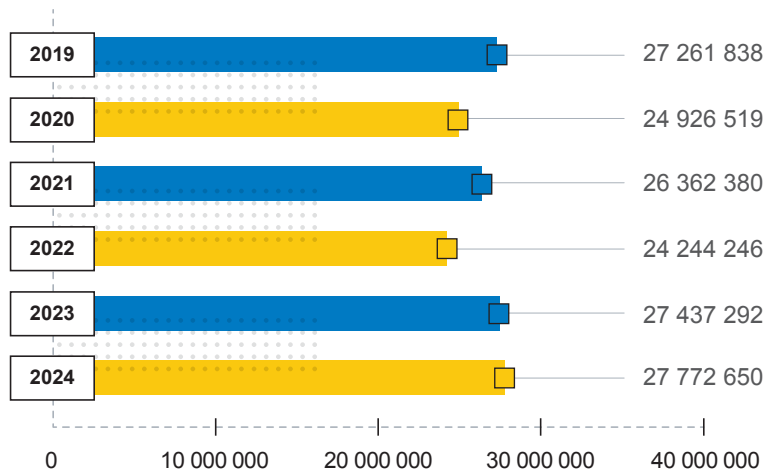
Passenger Vehicles

The global sales of passenger cars rebounded significantly in 2024, reaching just over 67 million units, as illustrated in the graph. Sales gradually recovered over the next three years, following a sharp decline from approximately 64 million units in 2019 to nearly 55 million in 2020. By 2021, sales had improved to just over 57 million units and increased to close to 59 million units in 2022.



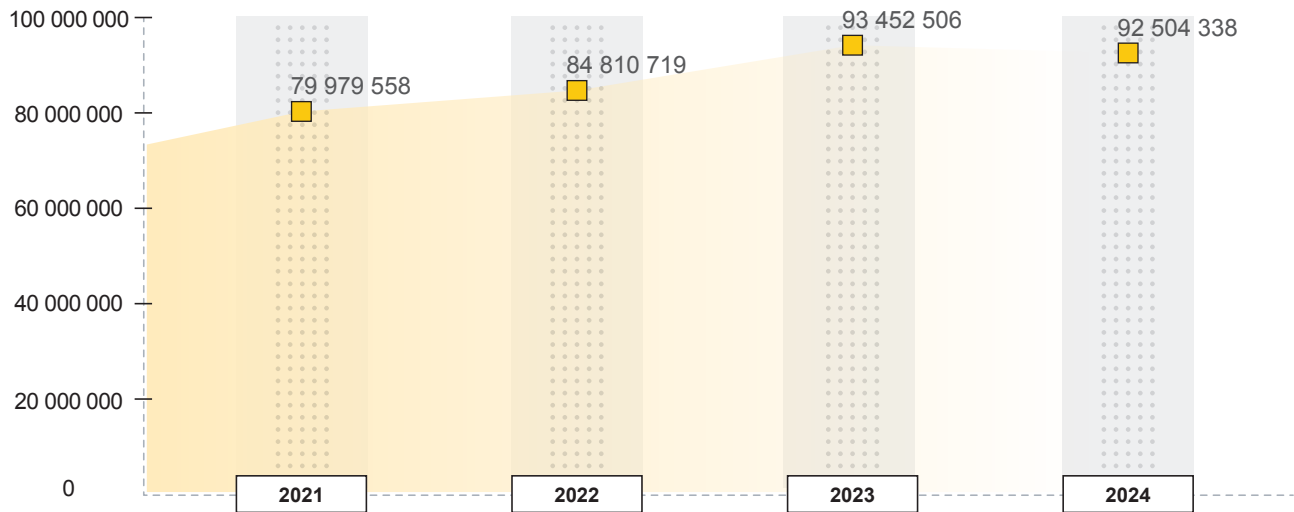
Commercial Vehicles

In 2024, global sales of commercial vehicles experienced a significant rebound, reaching 27 772 650 units, surpassing the 27 261 838 units observed in 2019. This recovery marks a robust return after the turbulence caused by the COVID-19 pandemic.



Source: Automotive export manual & OICA

Global Production: All Vehicles



Despite showing signs of recovery since the COVID-19 outbreak, global vehicle production experienced a 1% decline in 2024.

Source: OICA

1.2 GLOBAL MARKET HIGHLIGHTS

- The global automotive industry continues to be reshaped by net-zero goals, energy security concerns, and accelerated decarbonisation, driving increased demand for green mobility, particularly in Asia and Europe.
- Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) collectively surpassed 14 million global sales in 2023, representing a 35% year-over-year increase in sales. China accounted for approximately 60% of global EV sales.
- BloombergNEF forecasts that global EV penetration will exceed 50% by 2035, driven by policy incentives, technological improvements, and declining lithium-ion battery costs.
- Despite growth in EV adoption, the global automotive industry faces geopolitical supply chain disruptions, particularly in the sourcing of rare earth elements, with implications for both cost and production timelines.
- South African automotive exports to the European Union (EU) are facing increasing compliance pressures due to the EU Carbon Border Adjustment Mechanism (CBAM), which imposes emissions reporting requirements on imported vehicles and components.
- Global OEMs are reconfiguring value chains to regionalise production, prompting a shift toward localisation strategies and presenting opportunities for South African component suppliers.
- The global drive toward software-defined vehicles and integrated digital platforms has intensified, with OEMs investing over US\$ 70 billion globally in in-car connectivity, Advanced Driver Assistance Systems (ADAS), and mobility-as-a-service technologies in 2023 alone.

1.3 TRENDS AND DEVELOPMENTS

The automotive industry experienced transformative developments driven by technological advancements, regulatory changes, and shifting consumer preferences. These trends are shaping the future trajectory of the global automotive market:

Future Trajectory	
Electric vehicle adoption is increasing worldwide:	The appetite for EVs continues to grow. Overall, the EV market grew by 26.1% YoY in 2024. China and Europe have been leading the way in EV sales growth.
International expansion of Chinese electric vehicle brands:	Chinese manufacturers, including Nio, Aiyas, BYD, Dongfeng Motor, SAIC, and Great Wall, have launched models in Europe, underscoring China's growing influence in the global EV market and the competitive nature of the industry.
Autonomous vehicles are transforming the automotive industry:	Research indicates that autonomous vehicles (AVs) will soon disrupt the automotive industry, with increasing interest in these vehicles. Searches for "autonomous driving" have increased by over 1,029% over the past 10 years. It is estimated that 33 million AVs will be on the road by 2040.
Vehicle purchases shift online:	And increasingly, more and more sales are taking place completely online. In 2024, Tesla owned a 48.2% EV market share. They also generated 374 million total website visits from 168.9 million unique visitors.
The automotive parts market continues to grow:	The global automotive parts market has experienced steady growth over the past twenty years. The e-commerce automotive aftermarket market is worth an estimated US\$ 85.28 billion.
Supply chain issues:	The industry faced significant disruptions due to semiconductor shortages and logistical bottlenecks, highlighting the need for more resilient and diversified supply chains to mitigate future risks.
Hydrogen may be the fuel of the future:	Along with battery-powered EVs, fuel cell electric vehicles (FCEV) are another alternative to internal combustion engines.

1.4 SURGING NEW ENERGY VEHICLE SALES CONTINUE TO REDEFINE THE AUTOMOTIVE VALUE CHAIN

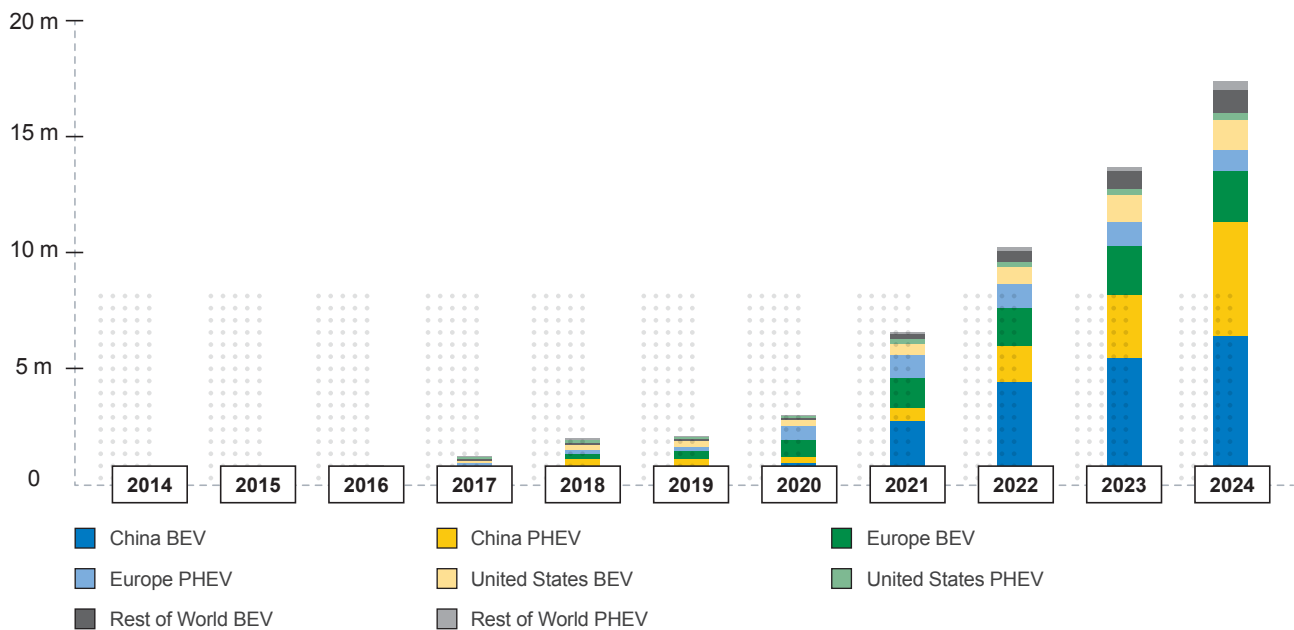
- In 2024, global EV sales surpassed 17 million, capturing over 20% of the market share.
- In 2025, global EV sales are projected to surpass 20 million, accounting for more than 25% of all cars sold worldwide.

- China continued to dominate the market in 2024, with EVs accounting for nearly half of all car sales. The country sold over 11 million electric cars last year, surpassing the total global sales from just two years prior.
- China is set to maintain its leadership in electric car sales through 2030, with an anticipated market share of approximately 80%, driven by strong market momentum and competitively priced EVs.
- Emerging markets in Asia and Latin America are rapidly becoming new hubs for growth, with EV sales soaring by over 60% in 2024 to nearly 600,000 – comparable to the size of the European market five years ago.
- Despite some uncertainties in the forecast, EVs are expected to account for over 40% of total car sales by 2030, based on current policy settings.
- While global sales of EVs continued to rise in 2024, some markets experienced a significant slowdown, and many OEMs have deferred their EV targets.
- With EV sales comprising a record 19,6% of new car sales, the UK surpassed Germany to become Europe's largest BEV market in 2024.

South Africa seems to be warming up for EVs:

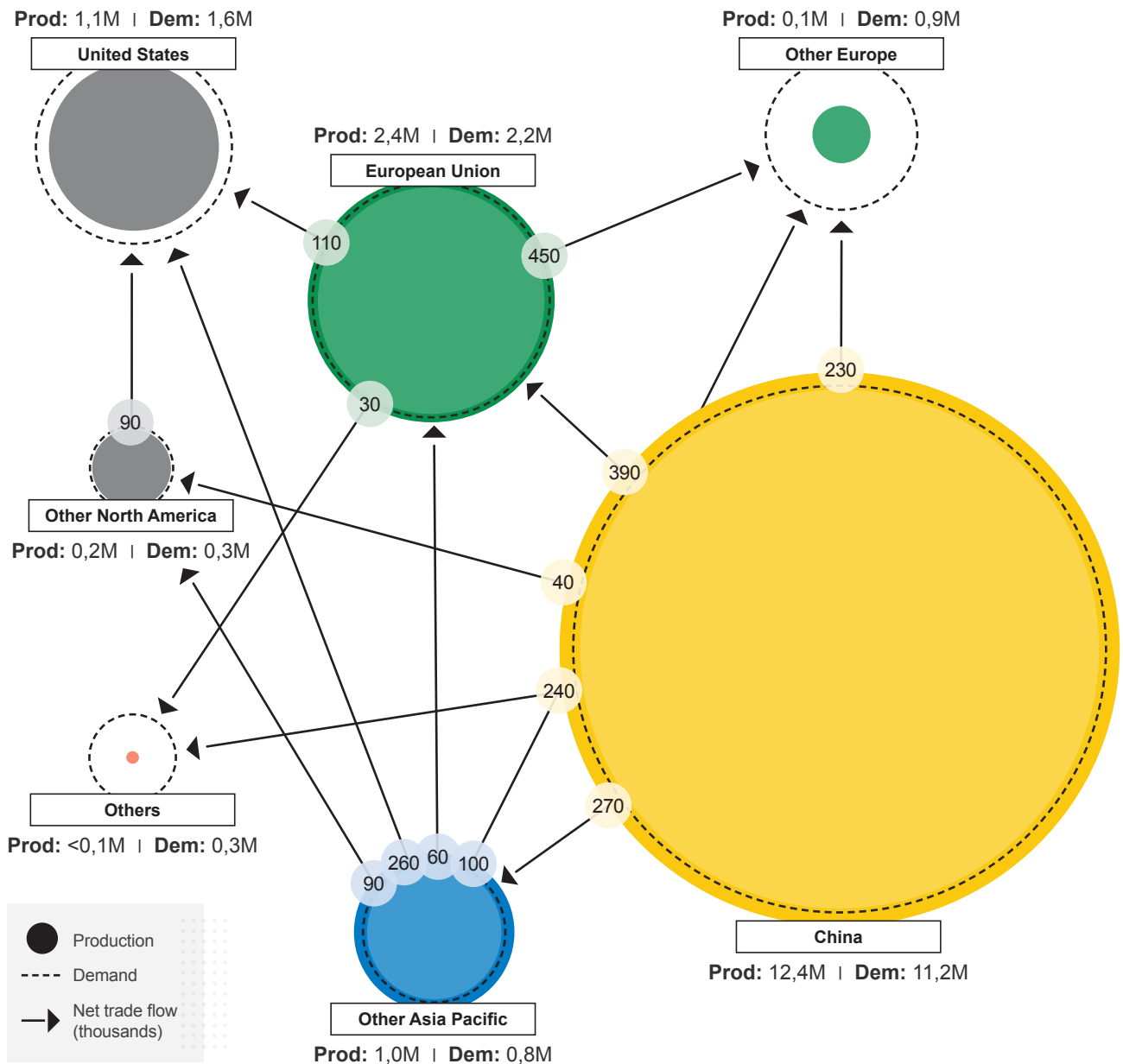
- NEV sales reflected another impressive increase of 100.6% from 7782 units in 2023 to 15 611 units in 2024, following a year-on-year growth of 65.8% in 2023.
- Sales of BEVs increased to 1257 units in 2024, up from 929 units in 2023; however, the segment remained hindered by the lack of more affordable models.

Global Electric Car Sales, 2014-2024:



1.5 PRODUCTION, DEMAND AND NET TRADE OF ELECTRIC VEHICLE IN MAJOR GLOBAL MARKETS, 2024

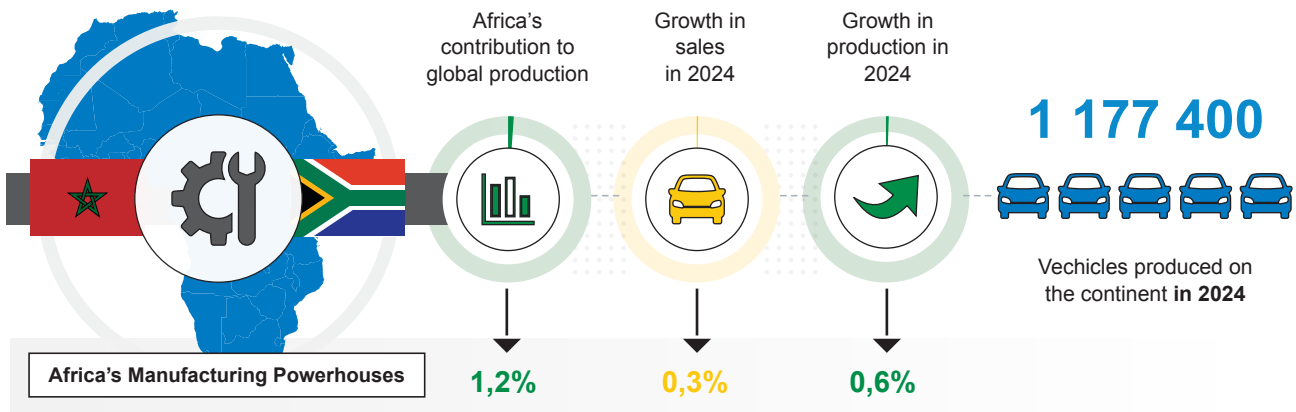
The global EV landscape in 2024 reveals dynamic shifts in production, demand, and trade across key regions. As depicted in the visual representation, China remains the dominant player, leading global EV production with 12.4 million units, outpacing its already high domestic demand of 11.2 million units. The EU closely follows both production and demand figures, which are closely aligned at 2.4 million and 2.2 million, respectively, indicating a balanced regional market. The US shows a strong demand of 1.6 million against a production of 1.1 million, resulting in significant imports. Notably, trade flows, represented by the width of the arrows, underscore China's central role in global EV distribution, with substantial exports to Europe, the US, and the Asia-Pacific region. This snapshot underscores the strategic importance of international trade networks in shaping EV availability and accessibility across the globe and the strategic interplay between production hubs and consumption markets.



2. AFRICA OUTLOOK

2.1 REGIONAL VEHICLE SYNOPSIS

South Africa | Morocco:



2.2 SALES AND PRODUCTION 2024

2.2.1 Africa Vehicle Sales 2024

Vehicle sales across Africa saw a modest rise in 2024, increasing by 0.3% from 1,050,105 units in 2023 to 1,053,611 units. South Africa has been the continent's leading vehicle seller since 2019.

Table 1: Vehicle sales stats for leading countries in Africa

YEAR	Africa	Egypt	Morocco	South Africa	Other Countries
2019	1 200 291	170 568	165 916	532 898	330 909
2020	925 708	219 732	133 308	372 633	200 035
2021	1 133 520	277 805	175 435	450 674	229 606
2022	1 075 740	175 125	161 409	514 178	225 028
2023	1 050 105	86 044	161 504	531 557	271 000
2024	1 053 611	96 862	176 401	515 853	264 495
2023/24:	0.3%	12.6%	9.2%	-3.0%	-2.4%

2.2.2 Vehicle Production

In 2024, South Africa retained its status as Africa's top vehicle manufacturer, producing 599,754 units, which accounted for 50.9% of the continent's total vehicle output of 1,177,400.

Table 2: Vehicle production stats for leading countries in Africa

				
YEAR	Africa (excluding Egypt)	Algeria	Morocco	South Africa
2021	907 302	5 208	403 007	499 087
2022	1 022 783	2 773	464 864	555 889
2023	1 170 447	2 456	535 825	632 362
2024	1 177 400	30 108	559 645	599 755

2.3 AFRICA AUTOMOTIVE SECTOR: KEY INSIGHTS AND TRENDS

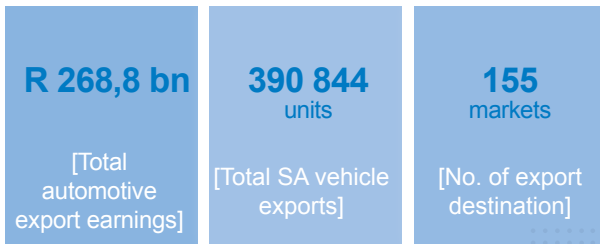
- **Market growth:** With a potential to reach 850 million consumers, the African automotive market is expanding steadily, with South Africa, Nigeria, Egypt, and Morocco emerging as major players.
- **Chinese brands:** Affordable, feature-rich vehicles from brands like Geely and BYD are reshaping consumer preferences in Africa, challenging traditional manufacturers.
- **Rising Consumer Spending:** With rapid urbanisation, consumer spending is increasing at an annual rate of 10%.
- **Second-Hand Market:** Economic constraints are driving demand for used vehicles, with online platforms playing a crucial role in sales.
- **Labour Force Potential:** By 2035, Africa is expected to have the largest labour force potential globally.
- **The African Continental Free Trade Agreement (AfCFTA)** has established a single, integrated free-trade market encompassing over 1.3 billion people with a combined GDP of more than US\$ 3.4 trillion.
- **The rise of Chinese vehicle brands:** The African automotive industry is undergoing a significant transformation, characterised by the emergence of Chinese brands, shifting consumer preferences, and swift technological advancements. The market penetration of Chinese brands is notable: Affordable, feature-rich vehicles from companies like Geely, Chery, and BYD are transforming consumer preferences and challenging established players such as Toyota, Nissan, and Hyundai.
- **Electric vehicles and infrastructure challenges:** The transition to EVs is accelerating despite considerable infrastructure obstacles. Countries such as South Africa, Morocco, and Kenya are making strides in enhancing charging infrastructure and encouraging EV purchases.
- **Trends in the second-hand car market:** Economic pressures are driving demand for used vehicles, with online platforms and stringent import regulations shaping market dynamics.

3. SOUTH AFRICA OUTLOOK

3.1 NATIONAL VEHICLE SYNOPSIS 2024

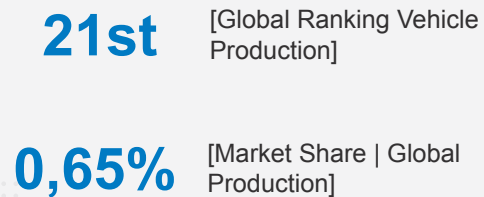
EXPORTS

[SA Vehicle Export]



GLOBAL PRODUCTION

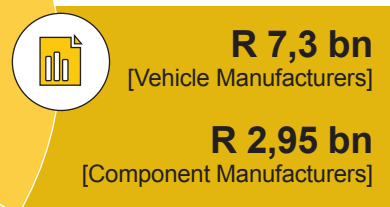
[SA Global Production]



EMPLOYMENT



CAPEX



Automotive Contribution to the GDP in 2024
5,2%

Down from **6,4%** in 2019

13,36 m [Total Vehicles in SA]



22,6%

[as a % of SA manufacturing output]

599 754

[units produced in 2024]

54,4%

[SA % of Africa's vehicle production]

VEHICLE PARC

[No. of Registered Vehicles in SA]

PRODUCTION

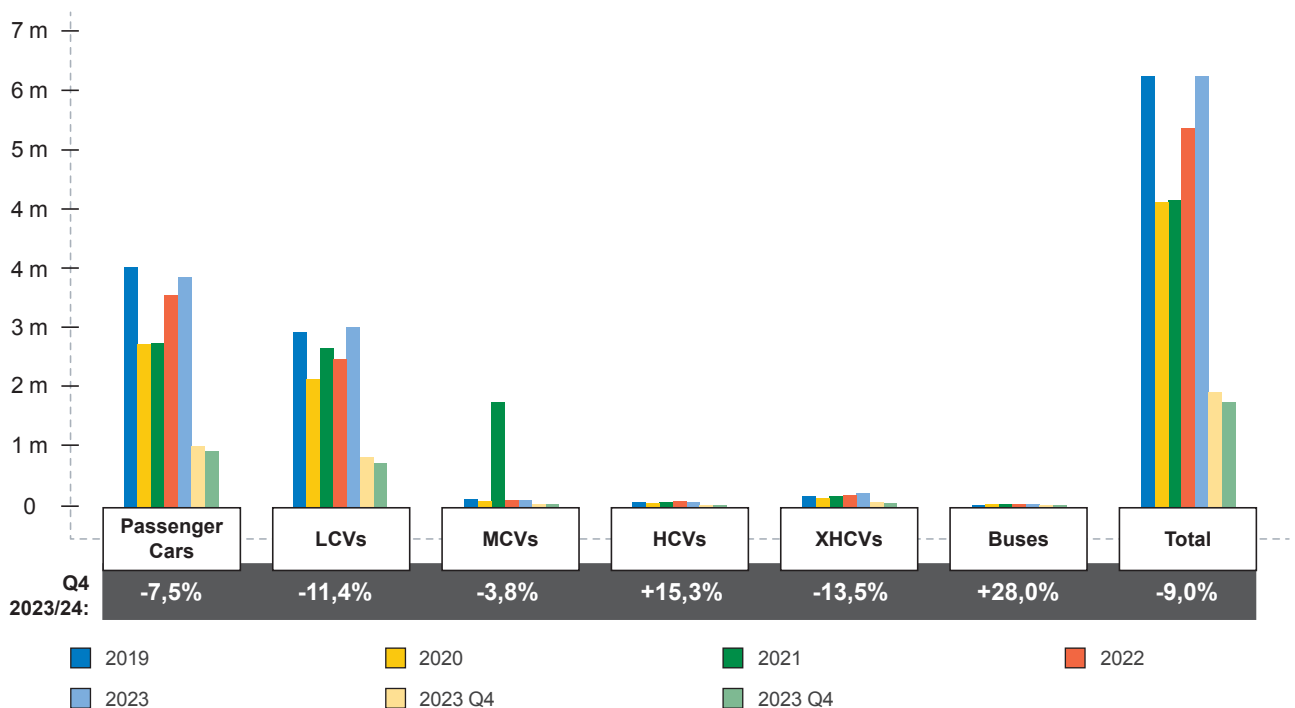
[Vehicle and Component Production]

Source: Automotive Export Manual 2024

3.2 OVERVIEW

With a 22.6% share of South Africa's manufacturing output, the automotive industry plays a crucial role in the country's social and economic landscape, establishing itself as the leading sector in national manufacturing. South Africa's vehicle production declined by 5.2%, dropping from 632,362 units in 2023 to 599,755 units in 2024—outpacing the global year-on-year decrease of 1.0% in vehicle production. As a result, the country's share in global vehicle production fell from 0.67% in 2023 to 0.65% in 2024. However, its global ranking improved from 22 to 21, driven by Italy's weaker performance.

Table 3: Five-year trends in production numbers



3.3 DOMESTIC SALES

New passenger car sales are a key barometer of consumer confidence, while new commercial vehicle sales strongly reflect business sentiment. Although the market experienced a solid year-end boost—driven by robust seasonal demand from the vehicle rental sector, easing inflation, and two interest rate cuts—overall new vehicle sales declined by 3.0% in 2024, totalling 515,850 units, down from 531,552 units in 2023.

In 2024, passenger and light commercial vehicles (LCVs) accounted for 68.2% and 25.8% of the total vehicle market share, respectively. Passenger car sales rose 1.2% year-on-year, while LCV sales declined by 12.0%. The truck and bus segment accounted for 6.0% of the overall market and experienced a 5.0% year-over-year decrease. Sales through the dealer network—an indicator of consumer demand—represented 83.1% of total new vehicle sales. The remaining sales were distributed among the vehicle rental industry (10.9%), corporate fleets (3.0%), and government purchases (3.0%).

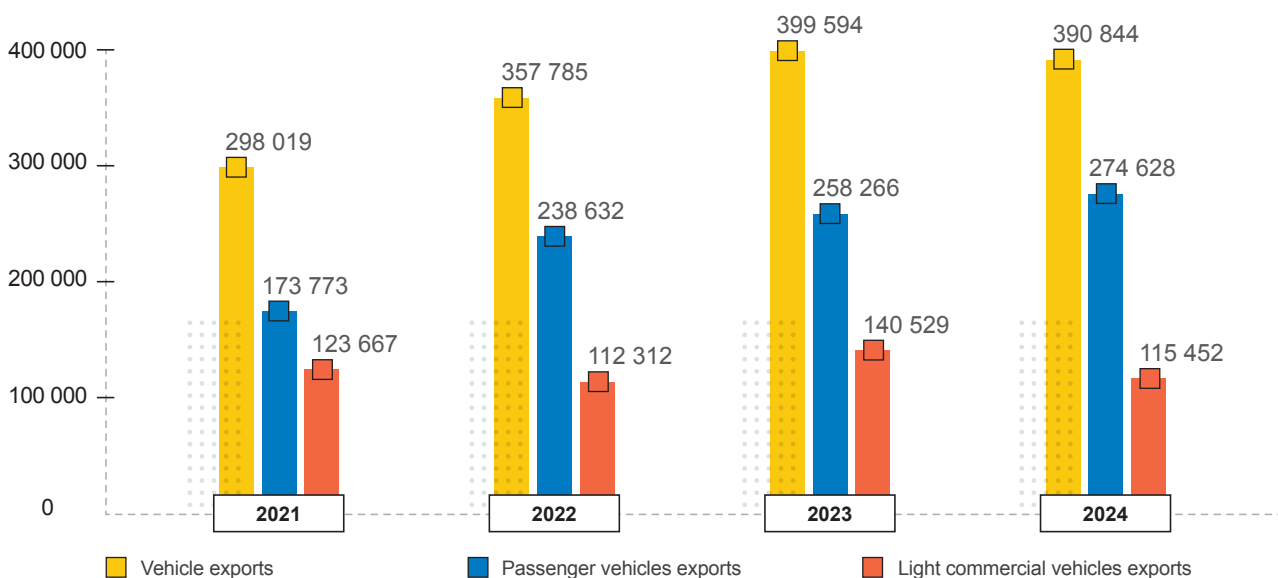
YEAR	Passenger cars	Light commercial vehicles	Medium and heavy commercial vehicles and buses	Total new vehicle sales
2020	246 539	110 912	22 614	380 065
2021	304 338	133 078	26 906	464 322
2022	363 682	135 711	29 942	529 335
2023	347 372	151 490	32 690	531 552
2024	351 555	133 251	31 044	515 850

3.4 VEHICLE EXPORT TRENDS SINCE 2021

South Africa's automotive industry is heavily export-oriented, with 64% of locally produced vehicles destined for international markets. Its overall performance relies on export growth, notably as domestic new vehicle sales have steadily declined, reaching their lowest levels since 2010 in 2019. Given the challenging economic conditions in both local and global economies, significantly increasing exports beyond the 60% threshold remains a difficult task.

In 2024, vehicle exports declined for the first time since the COVID-19-affected year of 2020, dropping by 2.2% to 390,845 units from the record 399,809 units exported in 2023. Despite the decrease, this remained the second-highest export volume on record. These 390,845 left- and right-hand drive vehicles, accounting for 68.7% of domestic vehicle production, were shipped to 109 countries worldwide. According to NAAMSA, the easing of monetary policy in key export markets has not been sufficient to drive an upward trend in vehicle exports this quarter.

Vehicle Exports 2020-2024:



Considering that three out of every four vehicles are destined for the European market, regional developments have a direct and indirect impact on the domestic automotive industry. It is, therefore, important to note that the region's automotive market is gearing towards more environmentally friendly processes and vehicles. The UK, the South African automotive industry's top vehicle export destination since 2014, has recently announced that the ban on new internal combustion engine vehicle sales would be brought forward by five years, from 2035 to 2030 (Export Manual 2023/25). These decisions would require the domestic automotive industry to accelerate its EV transformation in the country.

3.5 RECENT INITIATIVES AIMED AT PROMOTING THE SOUTH AFRICAN AUTOMOTIVE SECTOR

Vehicle manufacturers have maintained high capital expenditure levels as part of the Automotive Production Development Programme (APDP) and its successor, APDP2. These expenditures were R9.2 billion in 2020, R8.8 billion in 2021, R5.2 billion in 2023 and R7,3 billion in 2024. The initiative aims to boost vehicle production and exports over multiple years. While the component sector experienced significant investments, rising from R2.4 billion in 2020 to R5.7 billion in 2022, it saw a decline from R4.2 billion in 2023 to R2.92 billion in 2024.

Between 2024 and 2026, Africa International Training Facilities (AITF) has earmarked R500 million to support strategic initiatives across the industry. **These include:**

- Charging infrastructure for NEVs.
- NEV component manufacturing and value chain development.
- Material recycling.
- Automotive logistics and procurement scaling.

At the end of 2024, the president signed the Taxation Laws Amendment Bill, which will provide a 150% tax deduction on investments in the production of electric and hydrogen-powered vehicles.



Coega SEZ's standing as a strategic hub for automotive manufacturing in South Africa was reaffirmed in 2024 with the establishment of an R3 billion greenfield vehicle manufacturing facility by Stellantis, the world's third-largest automotive manufacturer by volume and South Africa's eighth OEM.



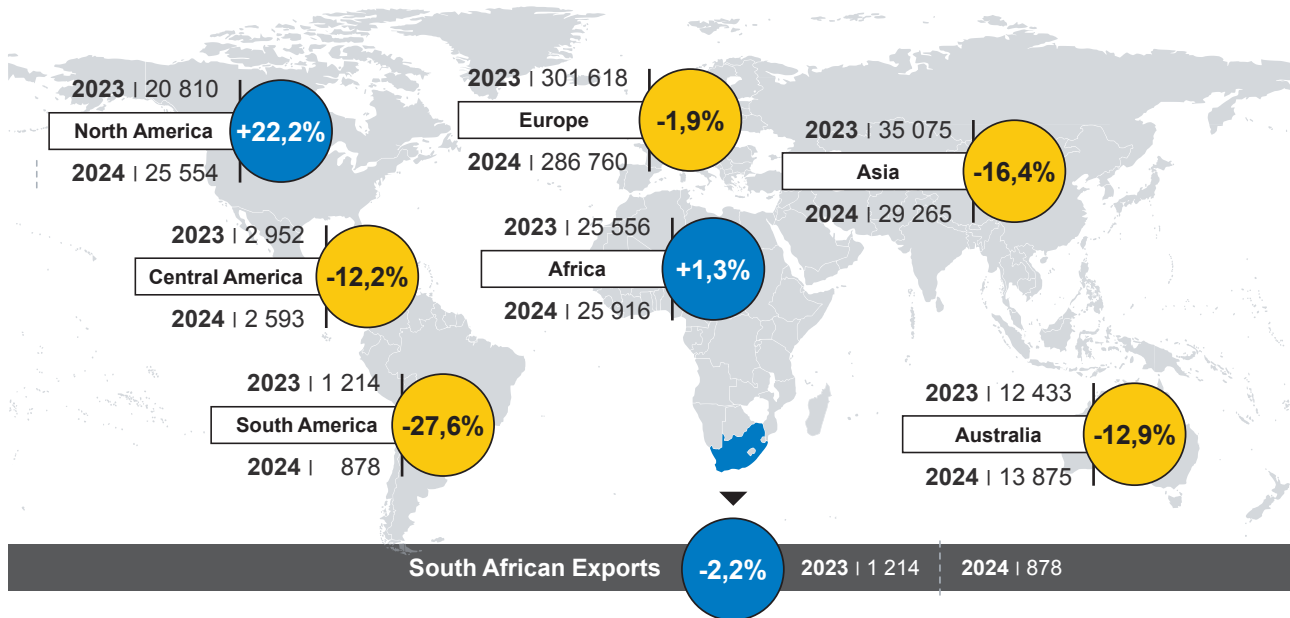
The R200 million investment declaration by FAW Trucks South Africa in 2024 will contribute to the broader prosperity of the Eastern Cape and the country as a whole.



3.6 GLOBAL PRESSURES FELT LOCALLY IN 2024

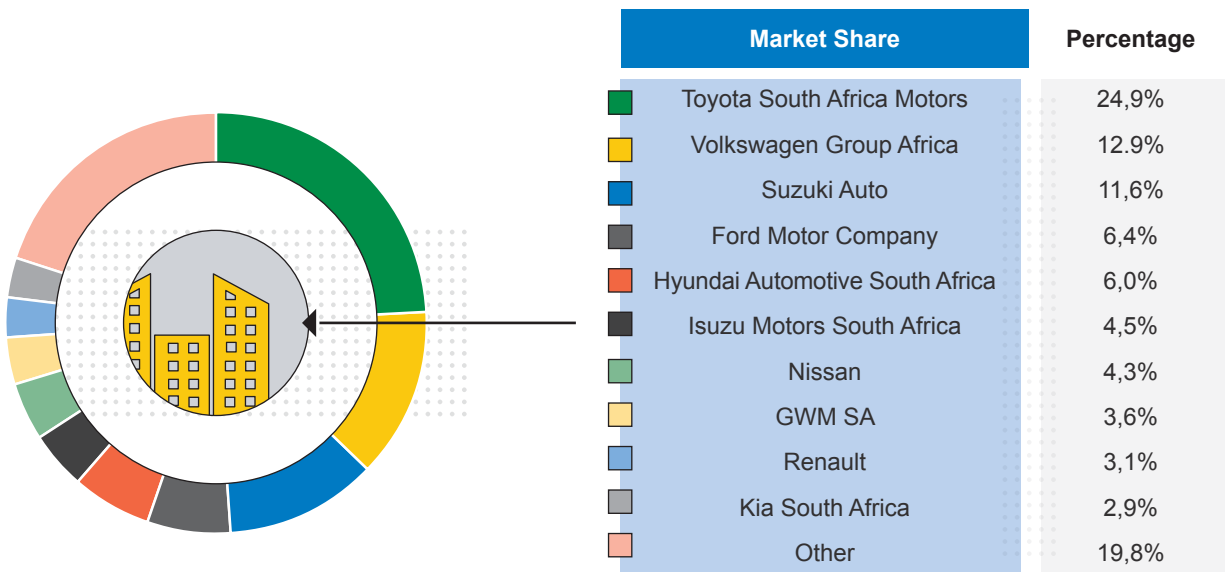
While South Africa is a relatively small player globally, the entire sector is fully integrated into global automotive supply chains. In 2024, vehicle exports declined for the first time since the COVID-19-affected year of 2020, totalling 390,844 units.

This marks a decrease of 8,965 units, or 2.2%, compared to the record-breaking performance in 2023 when 399,809 units were exported. The downturn in vehicle exports is largely attributed to reduced demand in major economies, such as the EU, driven by sluggish economic growth, stricter emissions regulations, and increased competition from more affordable EV imports from China.



3.7 LOCAL VEHICLE MARKET SHARE

Toyota continues to lead in the local vehicle market, with a market share of 24.9%, followed by Volkswagen Group of South Africa (12.9%), Suzuki Auto (11.6%), Hyundai Automotive South Africa (6.0%), Ford Motor Company of Southern Africa (6.4%), Isuzu Motors (6.5%) Nissan South Africa (4.3%).

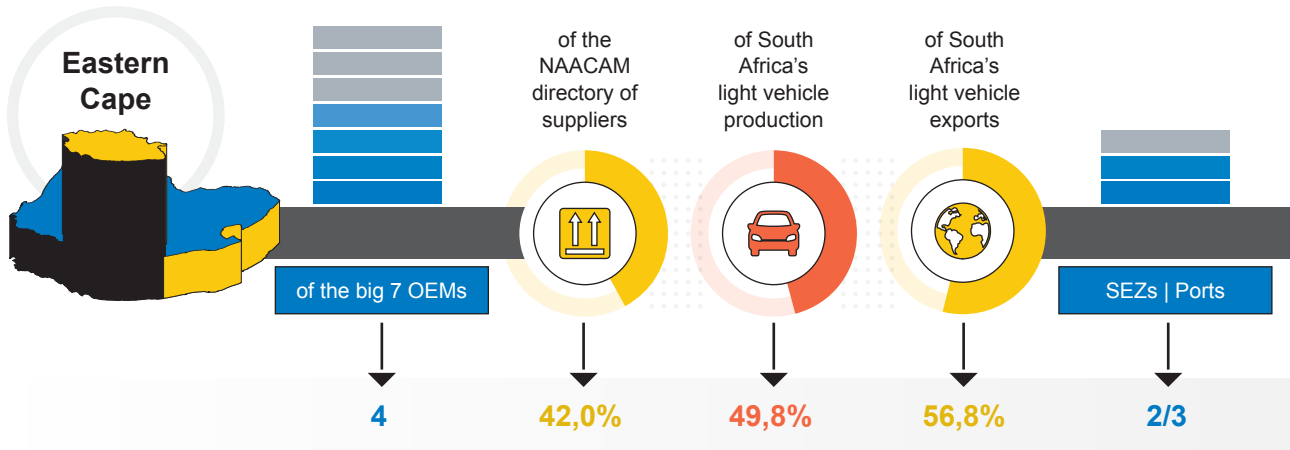




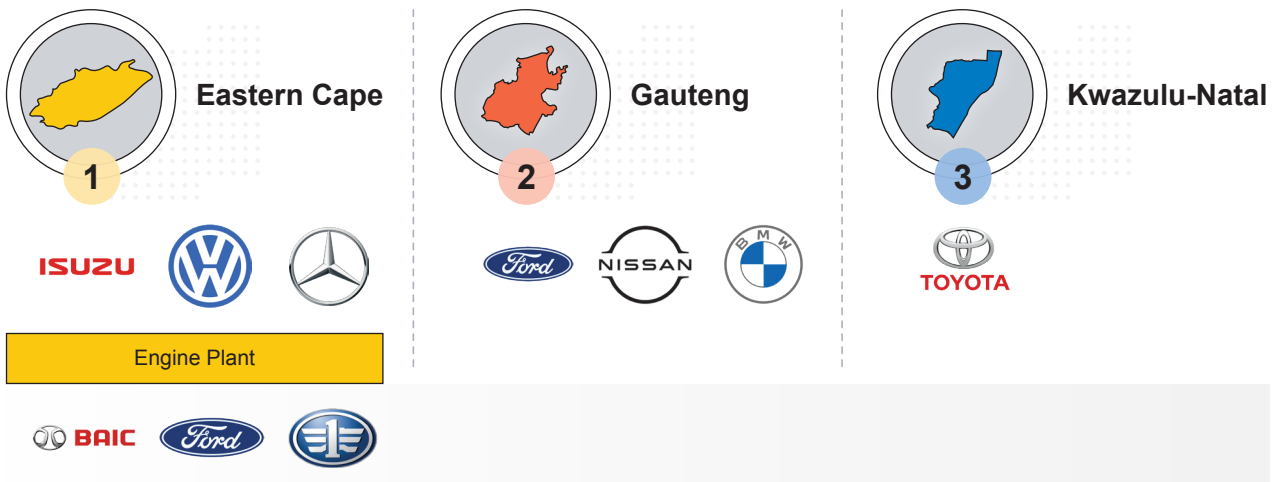
More than 60% of locally produced vehicles are exported

4. EASTERN CAPE OUTLOOK

4.1 PROVINCIAL VEHICLE SYNOPSIS



OEMs Distribution in South Africa:



The Eastern Cape is a leading hub for South Africa's automotive industry, housing 42% of the NAACAM Directory suppliers and four of the seven major OEMs, including FAW and BAIC. Alongside industry leaders such as BMW, Nissan, Ford, and Toyota, these OEMs are crucial to the nation's automotive exports and production.

These regional giants contribute to approximately 50% of South Africa's light vehicle exports and 43% of its production.

The sector deserves robust support from the Eastern Cape Province, and the AIDC-EC has consistently demonstrated its efficiency and effectiveness in providing this support. This is evident through the operational efficiencies achieved, as well as its governance and vision in promoting and developing initiatives such as the Smart Industrial Academy, localisation supermarket, and the SAAM 2035 Eastern Cape Framework, which underscore the sector's significance.

As the largest employer in the Eastern Cape, the automotive industry is vital in preventing the province's total de-industrialisation. Additionally, the Industry 4.0 competencies supported by the automotive sector in the province are also beneficial to other manufacturing sectors.

4.2 VEHICLE PRODUCTION PER SAAM 2035 TARGETS

SAAM 2035 objectives include increasing vehicle production from 0.62% to 1% of global output by 2035. To achieve this, the Eastern Cape-based OEMs were expected to produce 74,124 vehicles per quarter in 2024. However, several challenges hindered this goal, e.g.;

- High import tariffs
- Lack of financing options
- High interest rates
- Currency fluctuations
- Poor road networks
- Affordability issues and weak regulations

Eastern Cape Vehicle Production 2024:

YEAR	Quarterly Target	2023 Actual	2024 Actual	Target/2024
Q1	74 124	68 829	53 798	20 326
Q2	74 124	83 063	58 321	15 803
Q3	74 124	75 087	54 324	19 800
Q4	74 124	66 026	74 339	215

According to naamsa, Eastern Cape-based OEMs (VW, Isuzu, and Mercedes-Benz) produced 74 339 vehicles in Q4 2024, surpassing the target by 215 vehicles.

SECTION



CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE
2. GOVERNANCE FRAMEWORK
3. INTERNAL AUDIT FUNCTION
4. BOARD OF DIRECTORS
5. FRAUD AND CORRUPTION
6. HEALTH AND SAFETY
7. COMPANY SECRETARY CERTIFICATE

1. CORPORATE GOVERNANCE

The AIDC-EC, a state-owned company, was incorporated in 2003. Its enabling legislation is the Public Finance Management Act 1 of 1999 (PFMA), as amended, and the Companies Act 71 of 2008. It complies with and reports on adherence to the King IV Code of Corporate Governance. The company is a government business entity with a robust policy environment that ensures strategic enablement. The company has a staff complement of 48 employees led by a capable CEO, appointed in 2021. The company also has a record of twenty years of unqualified audit, which demonstrates good administrative governance. The AIDC-EC, as a Provincial Government Business Enterprise (3D) under the PFMA, provides programme implementation services to a broad range of stakeholders and government institutions, including municipalities, to entrench and grow the automotive sector in the province.

This means:

- It is a juristic person under the ownership and control of a provincial Shareholder.
- Has been assigned financial and operational authority to carry on business activity.
- As its principal business, provides goods and services in accordance with ordinary business principles.
- It is financed substantially from the Provincial Grant Fund and other statutory sector money.

2. GOVERNANCE FRAMEWORK

AIDC-EC, a subsidiary of the ECDC, has a separate Management and Board of Directors. The Board has an effective and efficient performance rating of 4.4/5 by the Institute of Directors South Africa (IODSA). This score is higher than the public sector benchmark score of 3/5. The Board committees include Strategy and Finance (SBDFINCO), Audit, Risk, Governance, and Compliance (ARGC), Human Capital, Remuneration, and Social and Ethics (HCSEC). These Committees have been ideal in managing the Provincial Automotive Sector Strategic Pillars of SAAM 2035.

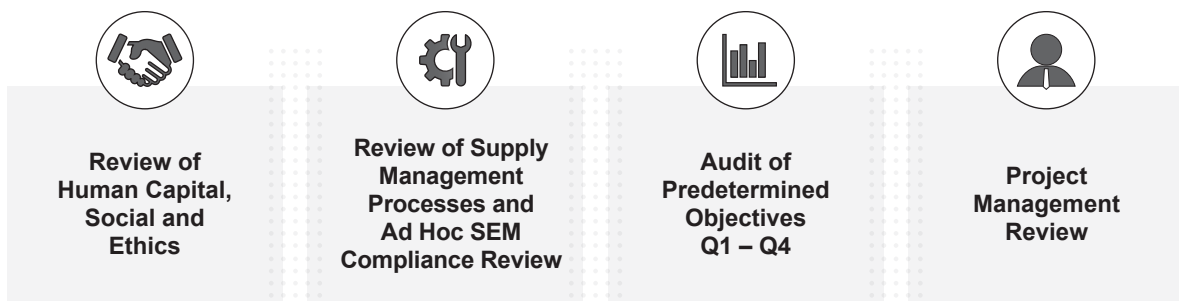
IODSA, in their report, cited ethical characteristics of **integrity, competence, responsibility, accountability, fairness and transparency** in the conduct of the Board and was rated excellent and scored at 5/5. These values have been cascaded to the entire organisation through workshops to enable buy-in from staff. The team has adopted a high-performance, quick-turnaround culture that embodies diligence and responsibility from all. Although funded by the Provincial Government of the Eastern Cape, the entity has interests across the world's Automotive industry, and to remain relevant, the international priorities and direction of the industry must be respected. The Board has committed itself to external independent performance assessments periodically to sustain this culture of excellence.

2.1 LEGAL RISK AND COMPLIANCE

The AIDC-EC follows a risk-based legal and compliance management approach by adopting an Enterprise-wide Risk Management Framework Policy, which encompasses an all-inclusive risk response approach which includes ICT-related risks and other information-related risks of the business. Proactive legal advisory services and a robust contract management system mitigate legal risk while enhancing relationships with sector stakeholders. Compliance management is aligned with strategic intent, ensuring that risks are managed optimally to avoid fines, penalties, and other reputational damage. The risk based compliance approach is best as endorsed in the draft King V on Corporate Governance.

3. INTERNAL AUDIT FUNCTION

In line with PFMA and the King Report on Corporate Governance requirements, the Internal Audit Department provides the Audit and Risk Committee (ARC) and management with assurance that the internal controls are appropriate and effective. This is achieved through the risk management process, the identification of corrective actions, and suggested enhancements to the controls and processes. During the year under review, the internal audit department identified some deficiencies in the system of internal controls, especially around Performance information. Management has implemented a register and periodically addresses and eliminates the risks identified by Internal and External Auditors. The Board, operating through its ARC, oversees the internal control system's financial reporting process and performs an internal audit function assessment. **The Internal Audit Department undertook the following audits in line with the Annual Internal Audit Plan:**



4. BOARD OF DIRECTORS

The AIDC-EC Board of Directors monitors compliance with policies and achievement of objectives. Furthermore, the Board is responsible for preparing financial statements that accurately reflect the AIDC-EC's financial position at the end of the financial year.

The Board, through its shareholder is responsible for setting the direction of the company through the establishment of strategies, key policies and the approval of financial objectives and targets. The Chairperson is in constant engagement with the shareholder representative on the corporation's needs and requirements as far as Board matters are concerned.

4.1 **ROLE AND COMPOSITION**

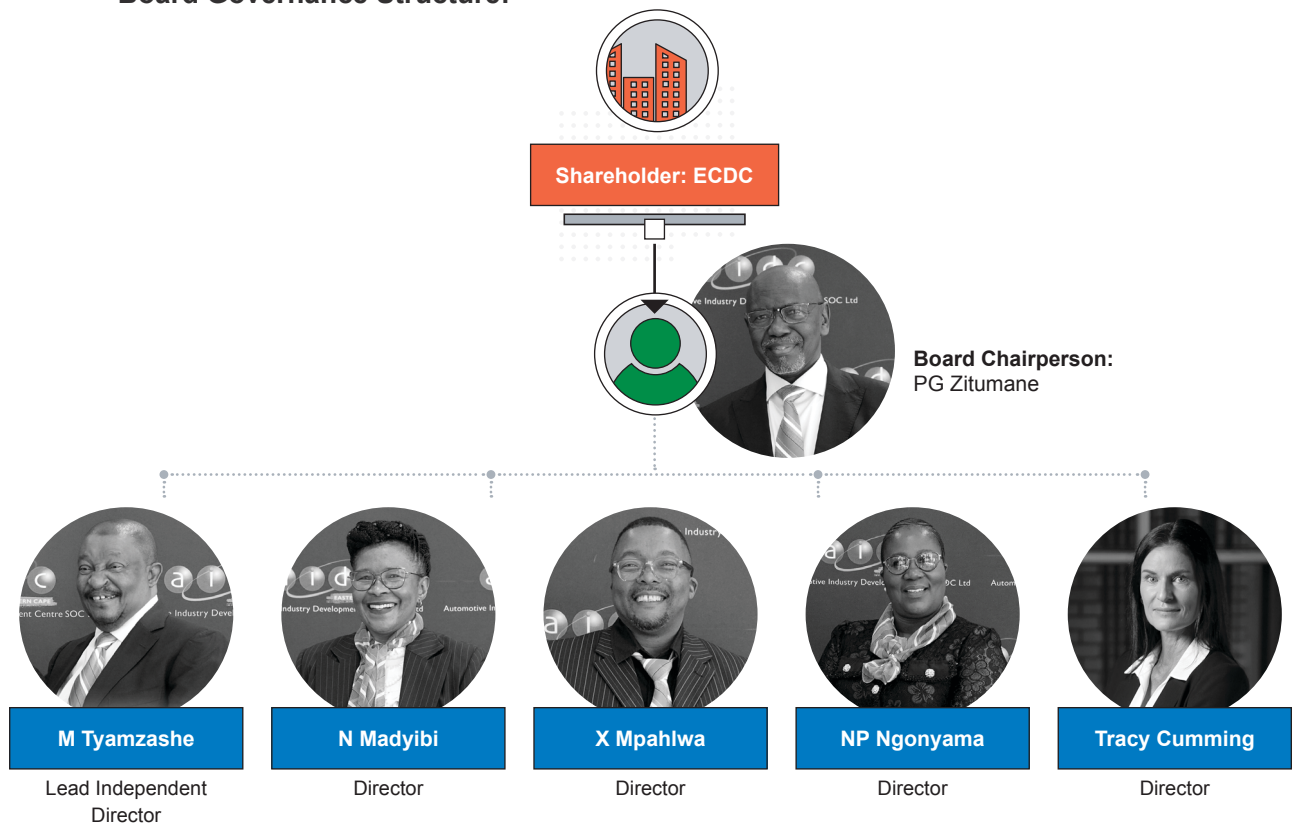


Board members are appointed by the shareholder in consultation with its Board of Directors.

The AIDC-EC has a board of five directors, comprising of an independent non-executive Chairperson and four independent non-executive directors. In line with King code recommendation, the roles of the Chairperson and Chief Executive Officer (CEO) is separate. The chairman's role is to lead the board and the CEO is responsible for managing the operational activities of the AIDC-EC.

The board has a diverse skillset and experience, ranging from the automotive and related industries, financial, governance, human resources and legal and compliance sectors to the board. On the 28th of March 2025, the Shareholder appointed a Shareholder nominee director to the AIDC-EC Board. Ms T Cumming's appointment aims to strengthen the relationship between Shareholder and Subsidiary.

Board Governance Structure:



Attendance by Directors:

	Name	July 2024	November 2024	February 2025	May 2025
100%	PG Zitumane	✓	✓	✓	✓
100%	X Mpahlwa	✓	✓	✓	✓
100%	K Riga	✓	End of Term	End of Term	End of Term
100%	M Tyamzashe	✓	✓	✓	✓
100%	N Madyibi	✓	✓	✓	✓
100%	NP Ngonyama	NA	✓	✓	✓

The Directors hold a minimum of four Board meetings per annum.

4.2 DELEGATION OF AUTHORITY

The Board has delegated the day to day running of the business through an approved delegation of authority matrix to the CEO.

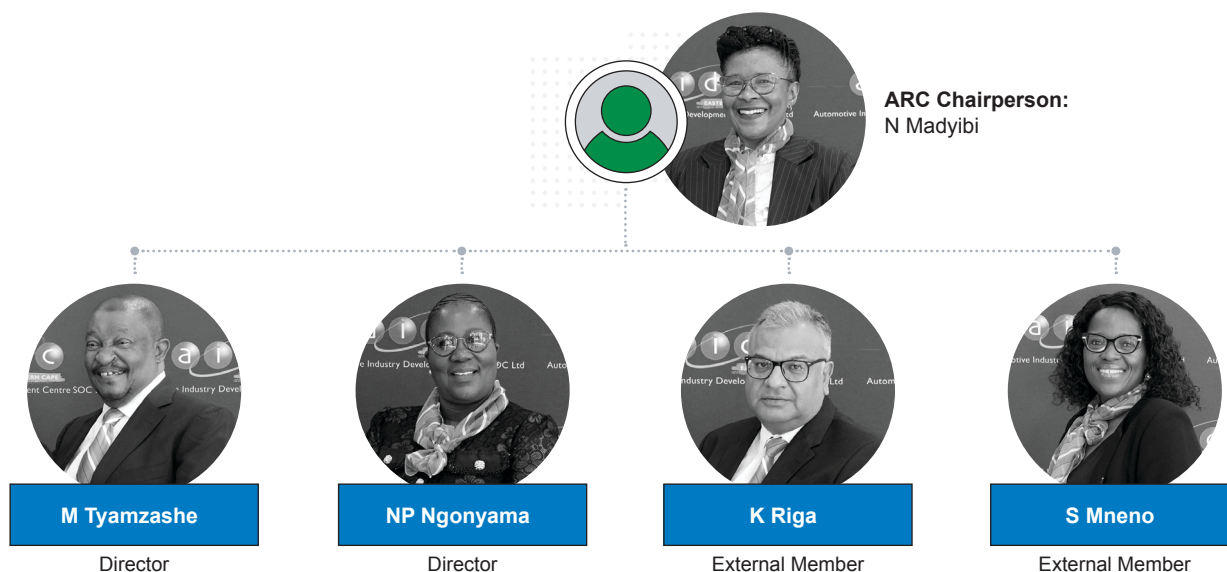
4.3 BOARD COMMITTEES

The Board has established appropriate committee structures in line with legislative and business requirements. The committees continue to assist the organisation with internal control improvement and sound corporate governance.

4.3.1 Audit and Risk Committee

The purpose of the ARC is to assist the Board to discharge its duties relating to the safeguarding of assets, operating of proper internal control processes, the preparation of accurate performance reporting and financial statements that comply with applicable legislative and accounting standards.

The ARC comprises of three Directors, as well as two external members appointed by the Board.

Audit and Risk Committee:

The ARC Terms of Reference defines the committee's roles and responsibilities as:

- Consideration of the annual appointment and evaluation of the external auditors, the audit plan and audit fees.
- Review of the annual financial statements, prior to submission to the Board.
- Review of problems arising from external audit and review of the external auditors' reports and identification of key issues arising.
- Monitoring compliance with all applicable legislation.
- Reviewing the effectiveness of internal controls.
- Reviewing the control of the overall operational and financial reporting environment.
- Reviewing the adequacy, reliability and accuracy of financial information provided to management and other users of such information.

As per the ARC charter, the committee is required to meet every quarter. The below table depicts the attendance by the members of the committee:

Name		July 2024	October 2024	February 2025	May 2025
100%	N Madyibi	✓	✓	✓	✓
100%	K Riga	✓	✓	✓	✓
100%	M Tyamzashe	✓	✓	✓	✓
100%	S Mneno	✓	✓	✓	✓
100%	NP Ngonyama	NA	✓	✓	✓

4.3.2 Human Capital, Social and Ethics Committee

The Human Capital, Social and Ethics Committee comprises three independent non-executive Directors. In terms of the Committee's approved Terms of Reference, its role and responsibilities include:

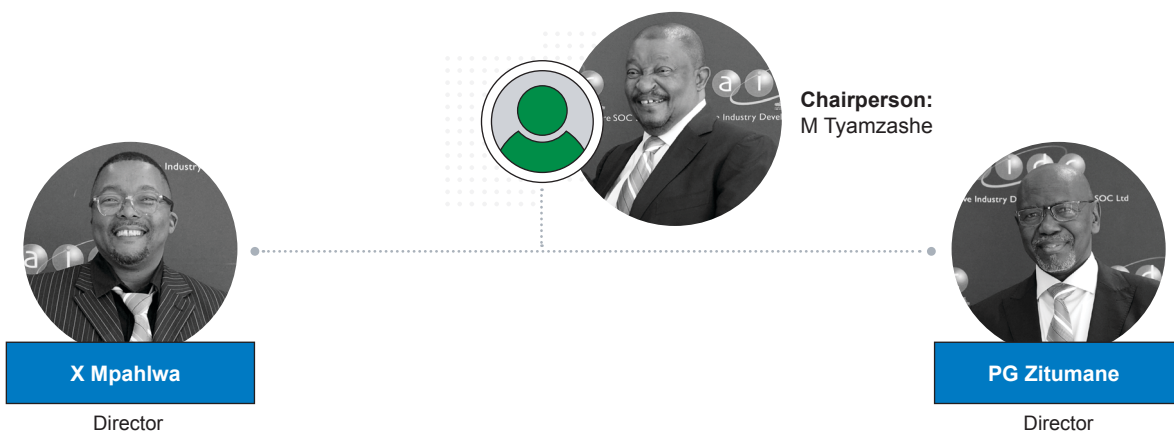
- Assisting the Board with developing and implementing a succession plan for executive managers;
- Reviewing the executive management structure and recommending any changes to the Board;
- Assisting the Board with developing and monitoring the implementation of human resources related policies;
- Assisting the Board with the development and implementation of performance measurement criteria;
- Ensuring that executive managers are fairly, but responsibly rewarded for their individual contribution to the achievement of AIDC-EC objectives;
- Ensuring that adequate internal controls are in place to detect and prevent fraud, bribery and other corrupt activities;
- Monitoring the implementation and adherence of the Code of Ethics;
- Developing and monitoring the implementation of the Ethics Risk and Opportunity Profile; and
- Ensuring the AIDC-EC has an effective disclosure of interest system.

The below table depicts the attendance by the members of the committee:

	Name	July 2024	October 2024	February 2025	May 2025
100%	M Tyamzashe	✓	✓	✓	✓
100%	X Mpahlwa	✓	✓	✓	✓
100%	PG Zitumane	✓	✓	✓	✓

The below organogram depicts the current structure of the Human Capital, Social and Ethics Committee subsequent to year end.

Human Resources, Social and Ethics Committee:



4.3.3 Strategy and Business Development and Finance Committee

The strategy and business development and Finance committee comprise of three independent non-executive Directors. The Committee provides advice and In terms of the Committee's approved Terms of Reference, its role and responsibilities include:

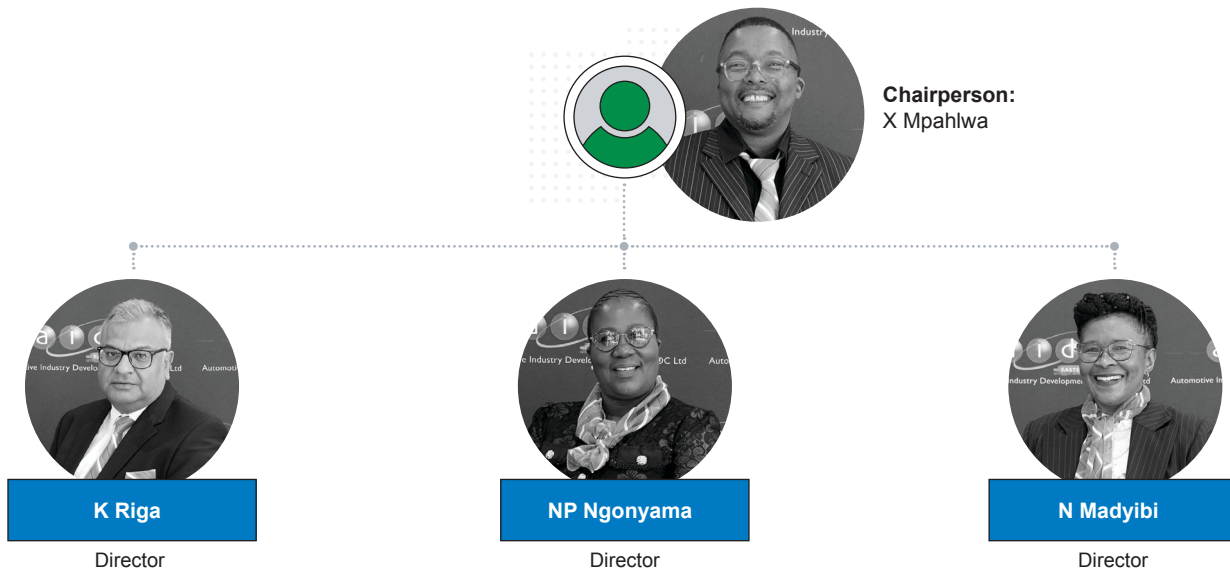
- Monitor quarterly feedback reports and recommend corrective action to the Board and CEO
- Monitor progress and make recommendations on operational and related challenges experienced with the rollout of the operational strategy
- Monitor progress and make recommendations on operational and related challenges experienced with the rollout of flagship programmes
- To assist the Board in fulfilling its responsibility with regards to the strategy planning, business planning and business development in line with the approved strategy
- Exercise oversight on the implementation of the strategy
- Customer satisfaction
- Stakeholder engagement and communication strategy
- Review of business plans and business development policies
- Special projects progress monitoring

Finance Committee has been established to assist the Board in discharging its duties and provide oversight of financial policies, development investment policies and the financial condition of the Company in support of the Company's medium and long range goals relating to:

- Financial sustainability and going concern of the company
- Funding
- Asset management
- Research and economic development
- Acquisition and disposal of significant assets
- Investment strategy
- Cashflow management
- Supply chain management

In terms of the Committee's approved Terms of Reference, its role and responsibilities include and not exhausted to:

- The Financial Sustainability and going concern of company.
- The financing of major capital expenditure programs.
- The financial structure of joint ventures, partnerships or other combinations of business Interests, if and when applicable.
- Minimum level of liquidity and cashflow required for operations and asset replacement.
- Terms and conditions (generally) of the Company's material leasing arrangements including review of any apparent conflicts of interest.
- The Company's borrowing plan as well as individual borrowing transactions and recommend such to the Board for approval.
- Provide oversight on the AIDC-EC financial affairs, financial planning and financial reporting.
- Advise on annual forecasting of income and expenditure and/or make recommendations.

Strategy and Business Development and Finance Committee:**Attendance of Members of the Strategy and Business Development and Finance Committee:**

Name		July 2024	October 2024	February 2025	May 2025
100%	X Mpahlwa	✓	✓	✓	✓
100%	N Madyibi	✓	✓	✓	✓
100%	K Riga	✓	✓	✓	✓
100%	NP Ngonyama	NA	✓	✓	✓

5. FRAUD AND CORRUPTION

The AIDC-EC subscribes to an ethical code of conduct and has strengthened the organisation's ability to fight fraud and corruption by reviewing and updating the fraud prevention policy. The Company has a fraud and ethics hotline managed through its shareholders to reduce further or prevent incidences of fraud and corruption. The Board has entrenched a zero-tolerance culture of fraud.

The entity regularly reviews the anti-fraud and corruption policy to ensure the policy is updated to the relevant legislation changes and that the entity's processes are sound for fraud prevention.

6. HEALTH AND SAFETY

The AIDC-EC continues ensure and maintain a healthy and safe environment for all its employees, customers, and stakeholders. It has continued to implement its Occupational Health and Safety (OHS) Programme.

This has been evidenced in:

- In good standing with the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 (COIDA).
- No incidents and accidents reported.
- Established of the OHS committee.
- OHS (SAMTRACT) training for selected employees and keeping records of OHS training.

7. COMPANY SECRETARY CERTIFICATE

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, as amended, I, Y Naidoo, in my capacity as Company Secretary of the AIDC Eastern Cape, confirm that for the year ended 31 March 2025, the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of our knowledge, true, correct and up to date.

Yogavelli Naidoo
Company secretary (31 July 2025)

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SECTION

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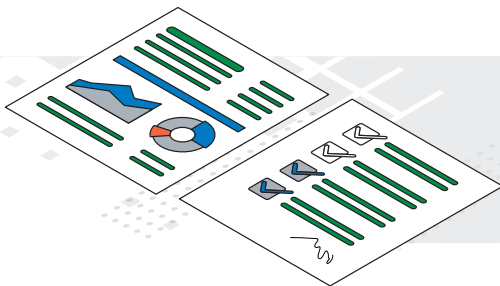


PERFORMANCE INFORMATION

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE
2. AUDITOR'S CONFIRMATION ON ANNUAL PERFORMANCE PLAN
3. PERFORMANCE INFORMATION
 - 3.1 Industry Stakeholder Relations and Management
 - 3.2 Component Supplier and Investor Support
 - 3.3 Automotive Aftermarket SMME Support
 - 3.4 Future Skills and Sustainable Energy
 - 3.5 E-mobility and Climate Change Mitigation Unit
 - 3.6 Corporate Services
 - 3.7 Annual Performance Plan 2024/25

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE

The Chief Executive Officer is responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance regarding the integrity and reliability of performance information. The performance information fairly reflects the actual achievements pursuant to the planned objectives, indicators and targets per the approved Annual Performance Plan (2024-2025) of the AIDC-EC for the financial year ending 31 March 2025.



The company is pleased to have achieved **94.2%** of its objectives for the year in review presented on pages 72 to 75.



From Left: Sindi Gqubule, Nkosana Keleni, Vasie Naidoo, Ziyanda Nyangule, Mandisa Msayi, Khaya Njingolo, Bopang Khutsoane, Thabo Shenxane, Nopasika Mxunyelwa, Riccardo Temmers, Simthandile Peter, Rowan Govender, Thuli Mtila and Kevin Horn.

Thabo Shenxane
Chief Executive Officer

2. AUDITOR'S CONFIRMATION ON ANNUAL PERFORMANCE PLAN

The external auditors have examined the AIDC-EC's performance information for the year ended 31 March 2025, and the report is presented on pages 72 to 75. Our resources continue to be directed at facilitating progression towards SAAM 2035 targets as can be seen under the performance section of this report.

3. PERFORMANCE INFORMATION

3.1 INDUSTRY STAKEHOLDER RELATIONS AND MANAGEMENT

This report summarises the key activities, strategic engagements, and emerging themes from the AIDC-EC reports for the 2024/25 period. The AIDC-EC has demonstrated significant progress and activity across several strategic areas within the Eastern Cape's automotive sector.

Key Highlights:

- **Electric Vehicle (EV) Transition:** The core focus remains on advancing the EV transition, evidenced by the launch of 13 EV charging stations across the Eastern Cape, active efforts to attract investment into the EV sector, and the planned installation of an additional two charging stations in the next financial year.
- **Investment Attraction:** The AIDC-EC is actively engaging with potential investors, providing crucial support to companies such as BYD and Chery SA during their due diligence process, to attract new investment to the Eastern Cape automotive industry.
- **Stakeholder Engagement and Collaborations:** Extensive engagement has taken place with various stakeholders, including Chery SA, UNIDO, Deutsche Messe, ABSA, Standard Bank, MTN, and Nelson Mandela Bay Municipality, fostering collaborations particularly for Small, Medium, and Micro Enterprise (SMME) development.
- **Organisational Development and SMME Support:** Strengthening internal capacity and implementing comprehensive programs for SMME development in the Aftermarket. 86 SMMEs trained through various initiatives with TVET colleges, and 86 registered in our database for support. 106 SMMEs were provided with occupational health and safety compliance training interventions.

Achievements and Next Steps:

The period saw successful participation in industry events, indicating strong ongoing initiatives. Moving forward, the AIDC-EC is committed to prioritising the implementation of agreed-upon plans, continuously monitoring and evaluating stakeholder management strategies, and pursuing continuous improvement, as exemplified by initiatives such as the Africa Kaizen Initiative.

In essence, the AIDC-EC's strategic direction is focused on driving the EV transition, attracting investment, strengthening diverse collaborations, and supporting both SMME growth and internal organisational development within the Eastern Cape's dynamic automotive sector.

3.2 COMPONENT SUPPLIER AND INVESTOR SUPPORT

The Component Supplier and Investor Support Unit's (CSISU) primary objective is to actively contribute to realising the AIDC-EC's vision of cultivating and expanding a viable automotive industry in the Eastern Cape.

The unit focuses on:

- Improving the competitiveness of component suppliers to meet industry global standards;
- Development of emerging component suppliers to meet industry standards and facilitate access to market opportunities; and
- Promoting investment in the automotive value chain in the Eastern Cape.

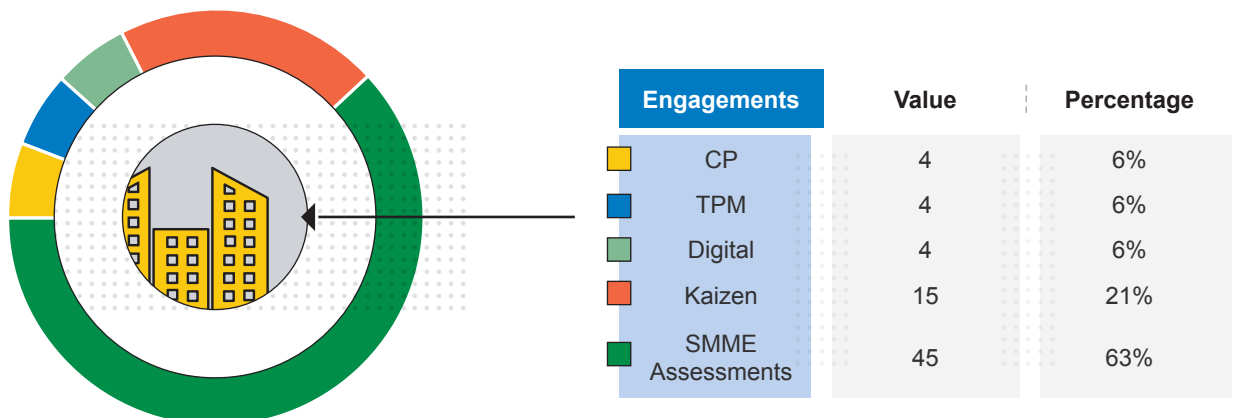
The Unit is capacitated by Project Managers in Supplier Competitiveness and Supplier Development, with an experienced team of specialist engineers implementing interventions in Rapid Process Improvement, Total Productive Maintenance, Kaizen, Cleaner Production, Quality Management Systems, and Business Support.

3.2.1 Component Supplier Development and Competitiveness

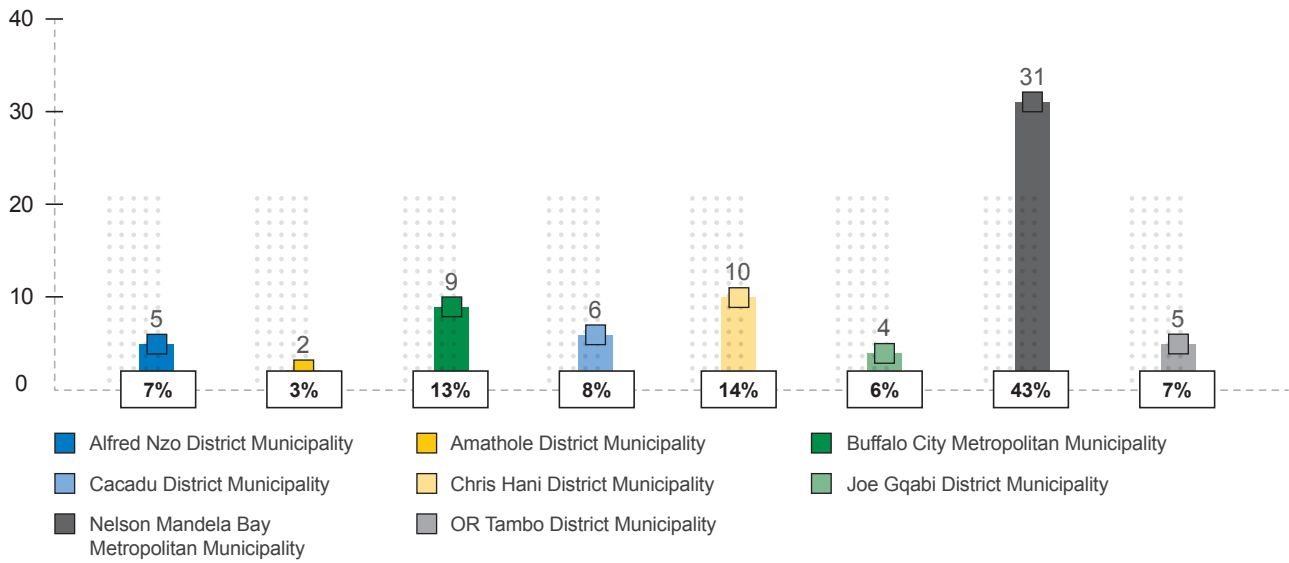
The 2024/25 financial year saw AIDC-EC actively contributing to maintaining suppliers' global competitiveness, thereby supporting the achievement of the SAAM 2035 targets. To contribute to the objectives of the Masterplan, the AIDC-EC has implemented various industry support initiatives encompassing training, advisory services, consulting, and accreditation.

The Supplier Competitiveness programme has seen some impactful results in this financial year. The intervention programmes have contributed to the **retention of 2712 jobs** to date. Training and consulting services **impacted 467 employees and learners** on topics related to world-class manufacturing and kaizen. Project management services facilitated **72 interventions** at automotive and aftermarket value chain companies.

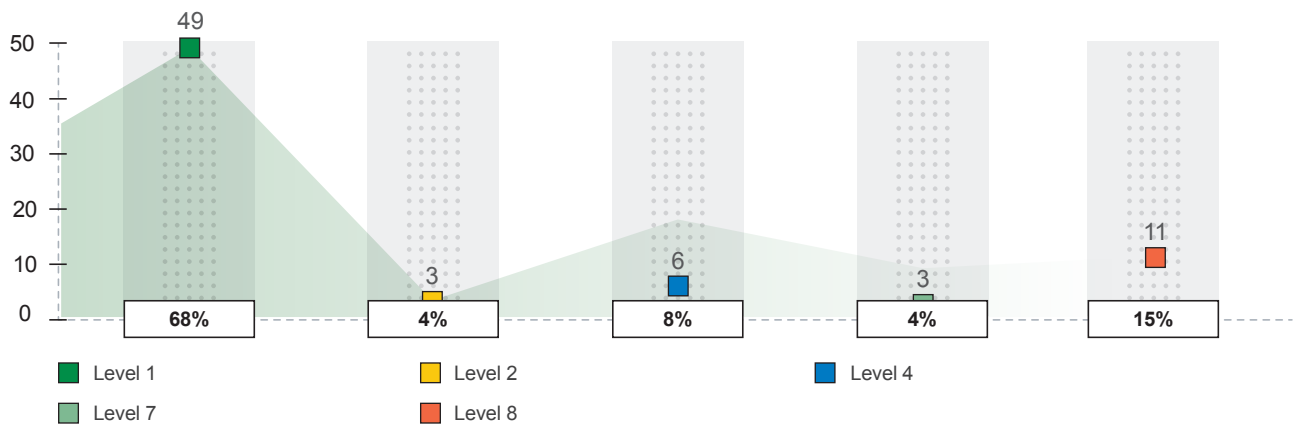
Supplier Competitiveness Engagements:



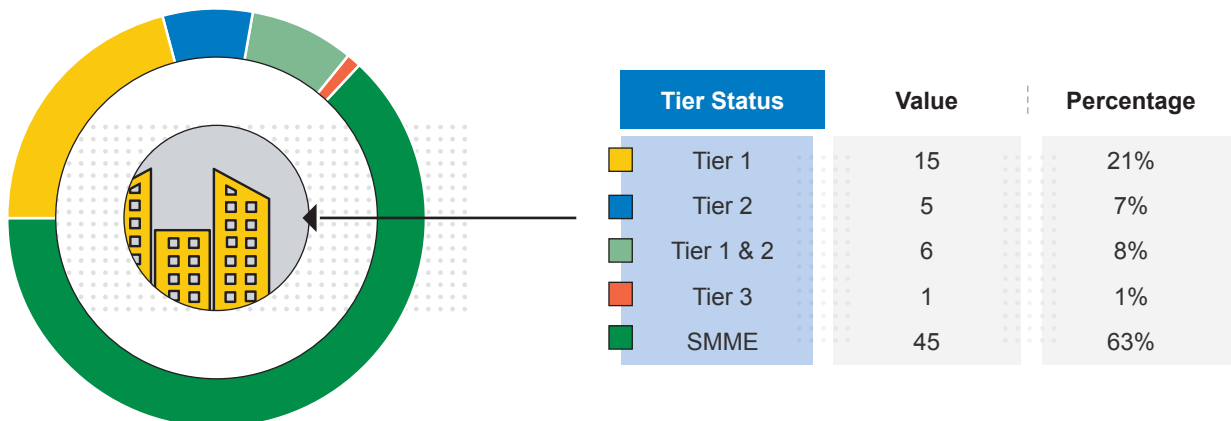
Geographical Area of Companies Supported:



BBEE Status of Companies Served:



Tier Status of Companies Supported:



3.2.2 Investor Support

A) Smart Industrial Academy

Within the context of the SAAM 2035, the AIDC-EC proposed the establishment of an Academy located at the Nelson Mandela Bay Stadium. The primary business of this Academy will be incubation, trade shows, exhibitions, seminars, and training, with an emphasis on innovation and technology. The supporting or secondary business of the Academy involves conferencing and events, with the principal aim of creating additional revenue. The relationship between the primary and secondary businesses will be a key catalyst to setting the project apart from conventional conferencing facilities.

Engagements are ongoing between AIDC-EC, the Deutsche Messe Technology Academy (DMTA), and the United Nations Industrial Development Organization (UNIDO) regarding the Smart Industrial Academy project, with a focus on exploring potential funding opportunities. AIDC-EC received confirmation that UNIDO will serve as a resource partner to the Smart Industrial Academy, supporting the Southern Africa Region.

B) Investment Projects



BYD

In the first week of November 2024, a technical due diligence team from the office of the BYD Chairman conducted a visit to the Eastern Cape, South Africa. The AIDC-EC facilitated high-level engagements with strategic stakeholders, including:

*Transnet Ports in
East London*

*East London
Industrial
Development Zone
(ELIDZ)*

*Buffalo City
Metropolitan
Municipality*

*Coega
Development
Corporation
(Coega)*

*Office of the
Premier*

These meetings offered valuable insights into the investment readiness of both Special Economic Zones (SEZs). The visit underscored the critical need for the Eastern Cape to position itself to meet investor requirements and present a compelling, coordinated value proposition.



CHERY
SOUTH AFRICA

AIDC-EC recently hosted executive representatives from Chery South Africa (Chery SA) during their strategic visit to the Eastern Cape. The delegation toured key industrial and logistics hubs, including:

*East London
Industrial
Development Zone
(ELIDZ)*

*East London
Port*

*Coega Special
Economic Zone
(Coega SEZ)*

*Port of
Port Elizabeth*

The engagement aimed to showcase the region's infrastructure, industrial capacity, and investment potential in support of Chery SA's current and prospective projects.

Key Areas of Discussion:

- Establishing an aftermarket sales distribution centre in the Eastern Cape.
- Exploring options to dock Chery SA vehicles at one of the province's ports.
- Assessing the feasibility of a long-term investment in a local manufacturing plant.

The visit forms part of ongoing efforts to foster strong partnerships and align future investment initiatives that position the Eastern Cape as a strategic node in Chery SA's national growth strategy.

3.3 AUTOMOTIVE AFTERMARKET SMME SUPPORT

The main objective of the aftermarket programme is to implement projects that support Localisation and Transformation in the Automotive Industry in the Eastern Cape.

This programme is targeted at the lower end of the automotive value chain in the Eastern Cape to achieve the following:

- To assist aftermarket service providers with capacity building, standards, business finance, and access to markets, such as the Government Fleet and the Insurance Industry.
- To contribute to the province's socio-economic development by supporting aftermarket service providers with businesses to create local jobs and alleviate poverty.

3.3.1 Programme Activities

The specific actions, tasks, and initiatives undertaken within a programme to achieve its objectives were set out as follows:

A) Identify and support 100 HDI suppliers in transformation

The final consolidated database for programme support interventions since inception is not a cumulative total of the SMMEs who have been identified and supported, but rather those who have been verified through both activities within this KPI.

- Three calls for expression of interest were advertised: Identification is done through a public call for expression of interest (EOI). SMMEs who apply for the EOI are verified through a verification committee against the qualifying criteria listed.
- 100 HDI SMMEs registered in the database: SMMEs verified by the committee are supported through a GAP assessment intervention conducted by AIDC-EC engineers; those verified through GAP assessment are registered on the AIDC-EC Aftermarket database.
- 100 SMMEs' OHS compliance and support provided.
- 75 SMMEs supported to acquire tools, equipment, and machinery: This activity is based on the availability of funding.

B) Aftermarket Opportunities, Awareness Campaigns

- Awareness campaigns are dependent on the availability of targeted municipalities and local economic development agencies.
- Both the targeted entities are responsible for inviting local SMMEs to attend.
- AIDC-EC focuses on the EOI, programme support initiatives, and partnering stakeholders available to SMMEs who do not meet the criteria.

C) Franchise Opportunities EXPO

- This event is hosted annually and targets not only SMMEs in the Automotive Aftermarket sector but also relevant partners, stakeholders and state-owned entities that will support programme initiatives and needs identified through the EOI and GAP assessments conducted with SMMEs in the Automotive Aftermarket database.

D) Industry Transformation - Township Auto Hubs

- This initiative focuses on developing proposals for establishing Township Auto Hubs in municipalities that have expressed interest and provided collaborative support.
- The proposals are submitted to relevant agencies for financial support.
- The project rollout is dependent on buy-in from the targeted agencies.

3.3.2 Annual Targets and Performance 2024/25

Key Performance Indicator (KPI)	Key Activities	Annual Target	Annual Actual
3.1 Identify and Support 100 HDI Suppliers in Transformation	3 Calls for Expression of Interest (EOI) advertised	3	4 EOI published and advertised (EOI Calls 4 – 7)
	Identify and support SMMEs verified	100	86 SMMEs identified and supported Quarter 1: • 4th Call for expression of interest was published • 4th Call GAP assessments conducted - 65 online registrations - 19 verified with 100% compliance - 18 Registered in Aftermarket database Quarter 2: • 5th Call for Expression of Interest was published - 28 online registrations - 18 verified with 100% compliance - 0 verified through GAP assessment - GAP assessment planned for quarter 3 Quarter 3: • 5th Call GAP assessments conducted - 15 Registered in Aftermarket database • 6th Call for expression of interest was published Quarter 4: • 6th Call GAP assessments conducted - 13 online registrations - 11 verified with 100% compliance - 9 Registered in Aftermarket database • 7th Call for Expression of Interest was published - 7th Call GAP assessments conducted - 31 online registrations - 28 verified with 100% compliance - 27 Registered in Aftermarket database
	100 SMMEs' OHS compliance and support provided	100	106 SMMEs have been assessed to date
	75 SMMEs supported to acquire of tools, equipment, and machinery	75	0 SMMEs (This activity is based on the availability of funding)

Key Performance Indicator (KPI)	Key Activities	Annual Target	Annual Actual
Identify and Support 100 HDI Suppliers in Transformation (Continued)	100 SMME employees and/or owners trained	100	86 underwent ARPL pre-evaluation. • Collaboration with TVETs to provide technical training • Delivery capacity assessment of 8 TVETs and WSU was concluded. 4 TVETs and WSU responded • R14 million was secured from the merSETA for training 102 SMME employees • 57 candidates attended the preassessment at KSD TVET College (24 Diesel Mechanics and 33 Motor Mechanics) - The second phase of the 12 candidates will start on 10 April 2025. - To date, 25 are registered to be allocated to this upcoming slot. • 29 assessed at MBSA, and 21 declared competent - Of the 21 candidates, 2 have dropped out, 1 has declared themselves competent, and 17 will undergo gap closure.
3.2 Aftermarket Opportunities: Awareness Campaigns	Automotive Industry is being made aware of opportunities in the sector	12	13 Campaigns completed.
3.3 Franchise Opportunities: EXPO	HDI small businesses were introduced to and supported in using franchising as a business model	1	1 Event hosted in Quarter 3, on 03 October 2024 at East London ICC.
3.4 Industry Transformation: Township Auto Hubs	Submission of a Business Plan for the Establishment of Township Automotive Hubs in eGcuwa (Butterworth), Mthatha, Somerset East and Queenstown	3	3 Proposals submitted to the DTIC, Afreximbank, and African Continental Free Trade Area (AfCFTA).

3.4 FUTURE SKILLS AND SUSTAINABLE ENERGY

The skills landscape is changing rapidly. At the beginning of 2025, the World Economic Forum (WEF) published the Future of Jobs Report. This report tracks trends in societal, technological, and economic advancements. The report highlights that the workplace has undergone rapid evolution over the last few years. This evolution has necessitated that skills must keep pace, with a focus on developing the right skills for the future of work and upskilling and reskilling the workforce.



The AIDC-EC, recognising the importance of skills development, has made it the centre of all discussions in its work as it strives to deliver its mandate and corporate vision.

Developing quality skills is a key pillar in the AIDC-EC's Masterplan 2035. Pillar 6 of the Masterplan emphasises curriculum development at Eastern Cape universities and TVET Colleges, Science, Technology, Engineering, Arts, and Maths (STEAM) development at schools, supporting tertiary students with bursaries and placing graduates in the workplace.

The STEAM project has progressed well over the last two years, with headway being made in improving the skills of young learners in maths and science, as well as enhancing the teaching capabilities of teachers at schools with which the organisation partners. The project successfully continued to support sixty young learners at three schools. Two schools are in the Nelson Mandela Bay Metro, and one is in the Buffalo City Metro. The organisation is partnering with the Govan Mbeki Maths Development Centre (GMMDC) to change the lives of young people in the province. The GMMDC is a mature organisation that specialises in maths and science development; the entity is an NPO under the management of Nelson Mandela University. For the last 4 years, the centre has developed a hybrid techno-blended teaching and learning model for schools that lack teaching resources. This technology is a customised solution that operates both online and offline in an interactive digital environment, covering the full CAPS curriculum for Mathematics and Physical Science.

The WEF, in its 2025 Future of Jobs Report, expects that greater digital access will be the most transformative trend between now and 2030. The work undertaken at the GMMDC aligns with this expectation, as its solutions enable digital access to maths and science teaching for learners in both city centres and rural areas. To support this trend in digital access, the AIDC-EC provided sixty new tablets to school learners, which are key tools in their quest to improve math and science skills. The learners were excited to receive these new devices, which were pre-loaded with educational content and resources.

This ensures the learners can study and engage with the content offline, using MobiTutorZA, TouchTutor and Playful Coding apps.

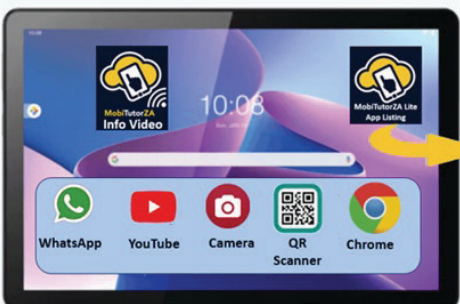


Grade 11 & 12 Project Learner Tablet Resources in 2024

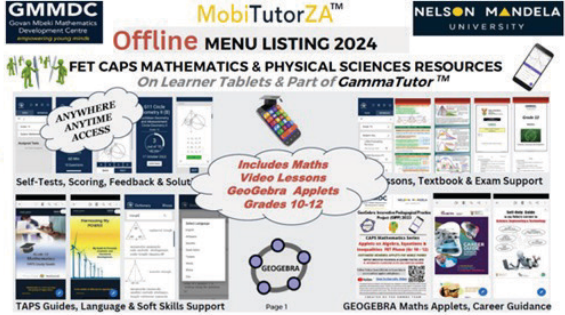
OFFLINE DIGITAL RESOURCES for MATHS & PHYSICAL SCIENCES & CODING



HOMESCREEN



Mecer 10" Tablet



The organisation played an instrumental role by supporting thirty undergraduates financially to complete their degrees within the Faculty of Engineering at Nelson Mandela University. This support was specifically for final-year project students who has to undertake final year projects to complete and obtain their degree certificates. Students were supported across various fields of engineering, including mechatronics, mechanical, industrial and electrical engineering. This support for students is managed under the 'Chair of Automotive' project.

The key focus area for the Chair is to undertake industry-related research, achieved through undergraduate projects and postgraduate research. The topics covered by projects in their undergraduate year span components in EVs, the design of a hydrogen go-kart, the design of an electric go-kart, and an electric hybrid turbocharger. The organisation supported twelve post-graduate engineering students financially in order to ensure a pipeline of future management level skills developed locally for the automotive sector. During the year under review, the Chair of Automotive employed four interns to support the work of the engineering faculty. These interns worked under the supervision of Professor T. van Niekerk on laboratory support projects.

Students at work on their projects 2024



A significant highlight of the year was when students supported by the AIDC-EC participated in the Siemens and Sony Immersive Engineering Design Challenge competition. The Compact Aquifer Recharge Unit and Smart Sorting Bins Waste teams have triumphed, representing the Faculty of Engineering, the Built Environment, and Technology with excellence. Of 900 participants from 230 universities, they've made it to the Top 40 teams in Round 2! This achievement speaks volumes about their creativity, innovation, and dedication. These young students will progress to the next phase of the competition as they continue to showcase their skills and passion. Students worldwide are challenged by Siemens and Sony to imagine sustainable design through immersive engineering. Siemens is dedicated to empowering today's students with the tools and skill set needed for their role in tomorrow's workforce.

Smart Waste-Sorting Bins Team



From left:

- Samkelisiwe Mgwili, Bachelor of Engineering Technology in Mechanical Engineering, proficient in using CAD software, NX, Inventor and Fusion 360.
- Naledi Gulwa, with a Bachelor of Engineering Technology in Mechanical Engineering, is proficient in Inventor, Fusion 360, SolidWorks, Siemens TIA Portal, and PLC Programming.
- Kamohelo Clement Mokeona, with a Bachelor of Engineering Technology in Electrical Engineering, has experience in PLC programming and EPLAN.

Compact Aquifer Recharge Unit Team, CARU



From left:

- Thabiso Modimoeng, with a Bachelor of Engineering Technology in Electrical Engineering, PLC Programming, panel building, CAD drawing and practical lab.
- Vincent Kampila has a Bachelor of Engineering Technology in Mechanical Engineering and is also involved in various engineering clubs.
- Mankga Kamogelo Bachelor of Engineering Technology in Mechanical Engineering with proficiency in CAD design and CARU team leader.
- Arvin Mwijage has a bachelor of engineering in Mechatronics, with expertise in PLC programming, control systems, MATLAB, Java, C#, and embedded software design using C and assembly.

E-mobility

The e-mobility project undertaken in conjunction with uYilo led to the newly accredited course by the Engineering Council of South Africa (ECSA), which will train more youth in the following two modules:

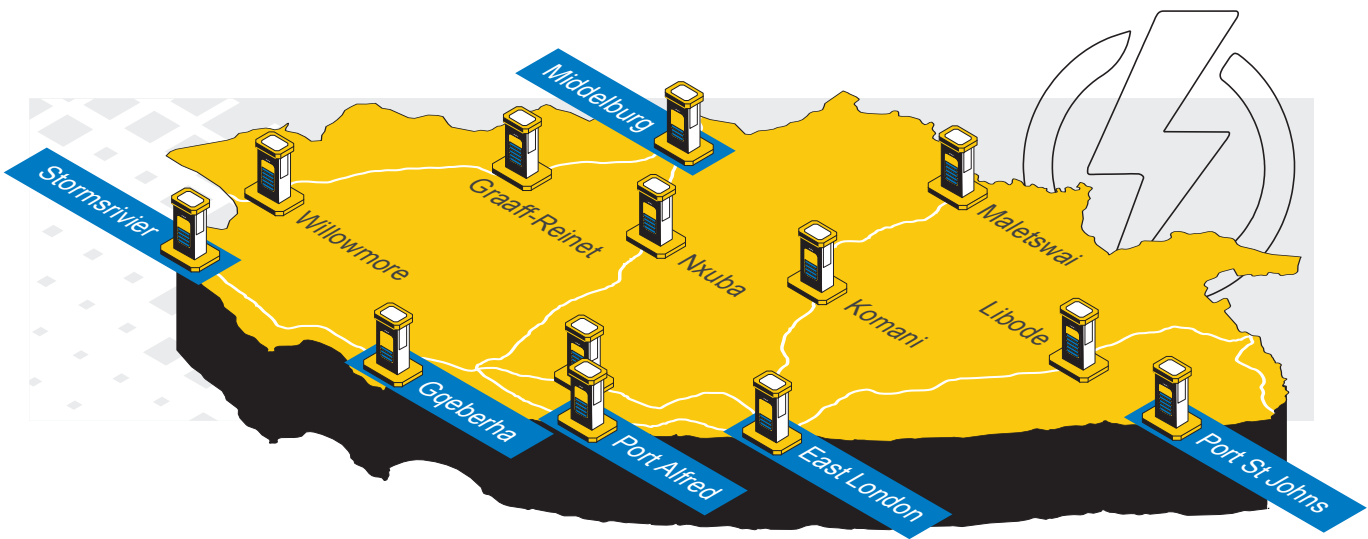
- Introduction to e-Mobility Awareness 1-day course
- Overview of e-Mobility Infrastructure 1-day course

Uyilo, working with IMI UK, trained four engineers at IMI Level 4 in Fault Diagnosis, Testing, and Repair of Electric/Hybrid Vehicles and Components. This outcome ensures that local technicians and engineers can now be trained at this level of e-mobility in the region. We trained twenty entrepreneurs in the e-mobility field, exposing them to electric vehicle technologies, funding sources, how to start a business, and product commercialisation.

3.5

E-MOBILITY AND CLIMATE CHANGE MITIGATION UNIT

The 2024/25 financial year marked a significant milestone for the AIDC-EC's e-Mobility and Climate Change Mitigation Unit. As part of our commitment to supporting the Just Energy Transition and driving the adoption of electric mobility across the Eastern Cape, the unit successfully rolled out **13 EV charging stations** across strategic locations within the province, with two additional stations set for completion in the next financial year. This rollout was completed before the end of the financial year, demonstrating strong execution capacity and alignment with our infrastructure-led decarbonisation objectives.



This flagship project was an investment in low-carbon transport infrastructure and served as a stimulus for **local economic development**. Multiple **local contractors and service providers** were appointed for civil works, electrical installations, signage, and safety compliance certifications, ensuring that the value chain remained inclusive and developmental.

The business community has enthusiastically welcomed the initiative, recognising both the economic and environmental benefits of positioning the Eastern Cape as a leader in the green transport economy. Charging stations were strategically placed in areas of high transit, tourism, and business significance, including coastal towns, border corridors, and semi-rural nodes, contributing toward range confidence for EV drivers.

Importantly, the charging stations implemented are compatible with **all electric vehicle brands** currently available in South Africa. This universal approach ensures accessibility across the EV spectrum—from premium brands like BMW, Mercedes-Benz, and Jaguar to more affordable and emerging options—cementing our role as an enabler of inclusive e-mobility adoption.

Looking ahead, our focus will remain on expanding the provincial EV infrastructure, supporting national objectives such as those outlined in the SAAM 2035, and enabling the Eastern Cape's positioning as a green manufacturing and innovation hub.

3.6 CORPORATE SERVICES

3.6.1 Human Capital

The 2024/25 financial year was marked by strategic advancements within the Human Capital function, reinforcing its integral role in driving organisational performance. A notable development was the formal transition from “Human Resources” to “Human Capital,” reflecting a deliberate shift toward a more strategic, value-focused approach to workforce management. This change underscores the organisation’s commitment to viewing its people not merely as resources, but as critical contributors to long-term success. This evolution was demonstrated through two major initiatives: the relocation to new office premises (Nelson Mandela Bay Stadium) and the successful completion of a salary and benefits benchmarking exercise. Both initiatives were pivotal in enhancing the employee value proposition and aligning the work environment with modern organisational needs.

The benchmarking exercise, conducted with an independent consultancy, provided clear insights into the organisation’s remuneration position relative to industry standards. The findings will inform policy updates to support market competitiveness, internal equity, and talent retention.

In parallel, the organisation successfully transitioned to new office premises. This move was managed through a structured change management process, ensuring minimal disruption to operations while delivering improved, fit-for-purpose workspaces. The relocation supports our objective of fostering a safe, efficient, and collaborative environment that enhances the overall employee experience.

Additionally, an employee engagement session was conducted to unpack the organisation’s core values, with full participation from employees. This session reinforced the importance of aligning individual and collective behaviours with the organisation’s strategic vision, further embedding the values that drive our culture and success.

Staff Profile

During the year under review, the organisation maintained a total workforce of forty-eight (48) employees, consisting of 12 permanent staff members, 25 fixed-term contractors, and 11 interns.

Recruitment

During the reporting period, the Board approved the addition of 16 positions to the organisational structure. These roles were filled through a phased approach, prioritising core business needs and aligning with available budget resources.

As part of the recruitment strategy, eight appointments were made across various occupational levels, and 11 interns were placed under a structured 12-month internship programme. To ensure comprehensive participation in all planned interventions, the internship period was extended by an additional six months.

All recruitment processes were carried out in accordance with the organisation’s commitment to fairness, transparency, and employment equity, with a strong emphasis on attracting a diverse and skilled talent pool.

The table below reflects the appointments made during the period:

	Position	Race/Gender
Executive Manager	Procurement Specialist	African Male
	E-mobility & Climate Change Mitigation	African/Female
	Process Engineer	African/Male
	Design & Digital Media Specialist	African/Male
Fund Manager	Finance Officer	African/Female
	SMME Incentives	African/Male
	Aftermarket Skills Development	African/Male
	Projects	African/Male
Senior Manager	Human Capital	African/Female
Intern	Business Administration	African/Male
Intern	Business Administration	African/Female
Intern	Marketing, Communications & Events	African/Female
Intern	Engineering	African/Male
Intern	Engineering	White/Female
Intern	Engineering	African/Male
Intern	ICT Governance & Digital Services	African/Female
Intern	Engineering	African/Female
Intern	Engineering	African/Male
Intern	Engineering	Coloured/Male

The table below reflects the terminations made during the period:

Project Manager	Graduate Development Programme	Resignation		White/Female
Project Manager	Aftermarket Skills Development	Resignation		African/Male
Senior Manager	Projects	Resignation		African/Male
Finance Officer		Dismissal		Coloured/Female

Employee Relations

During the reporting period, one employee relations case was managed in line with the organisation's consequence management policy and applicable labour legislation. The matter involved progressive disciplinary action, beginning with a final written warning and culminating in dismissal due to continued non-compliance with workplace policies. The case is currently under review at the Commission for Conciliation, Mediation and Arbitration (CCMA).

The organisation remains committed to fair and consistent employee relations practices, ensuring that all actions comply with labour regulations and internal policies.

Employment Equity Monitoring

Key achievements during the reporting period include the improved representation of designated groups, particularly at experienced specialist, mid-management, and senior management levels. The organisation actively identified and addressed barriers to equitable recruitment, development, and retention.

The office relocation contributed to this by enhancing physical accessibility and fostering a more inclusive work environment. Sensitisation programmes were delivered to promote a culture of inclusion, and dedicated efforts were made to unpack and embed the organisation's core values across all levels of the organisation. The table below presents a snapshot of the current workforce as of 31 March 2025, illustrated according to the demographics of the Eastern Cape Province Economic Active Population (EAP).

Occupational Category	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
EAP (%)	42.6	6.3	1.2	2.6	39.2	5.4	0.3	2.4			
Top management	1	0	0	0	0	0	0	0	0	0	1
Actual (%)	100%	0	0	0	0	0	0	0	0	0	
Senior management	2	1	1	1	6	0	0	0	0	0	11
Actual (%)	18.2%	9.1%	9.1%	9.1%	54.5%	0	0	0	0	0	
Professionally qualified and experienced specialists and mid-management	6	1	0	2	2	1	1	0	0	0	13
Actual (%)	46.1%	7,7%	0	15,38%	15.38%	7,7%	7.7%	0	0	0	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	0	0	0	4	1	0	0	1	0	10
Actual (%)	40%	0%	0%	0%	40%	10%	0%	0%	10%		
Semi-skilled and discretionary decision making	2	1	0	0	5	0	0	2	2	0	12
Actual (%)	16,7%	8,3%	0	0	42%	0	0	16,7%	16,7%	0	
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	0	1
Actual (%)	0	0	0	0	100%	0	0	0	0	0	
Total Permanent	15	3	1	3	18	2	1	2	3	0	48
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	15	3	1	3	18	2	1	2	3	0	48

Skills Development

The development of employee capability remains a key pillar of the organisation's strategic priorities. During the reporting period, the Human Capital function ensured compliance with legislative requirements by submitting the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the Services SETA.

A total of **R 506,321.81** was spent on learning and development initiatives, comprising bursaries awarded to employees and the delivery of targeted short learning programmes. These efforts are aimed at strengthening organisational capacity and supporting continuous professional growth.

Performance Management

Performance management remained a key focus area in reinforcing a culture of high performance across the organisation. Formal performance reviews were conducted twice during the reporting period, with a 100% completion rate across all levels. These reviews provided structured opportunities for feedback, alignment of individual objectives with organisational goals, and recognition of high performance. The process continues to support accountability, employee development, and the cultivation of a results-driven work environment.

3.6.2 Information and Communications Technology Governance and Digital Services

The ICT Governance and Digital Services Department has achieved significant milestones in the 2024/25 financial year, strengthening governance, cybersecurity, and operational efficiency while advancing digital transformation. Below are the key achievements and contributions from the year:

Key Achievements

1. Key Contributions of Digital Transformation Initiatives

- **Cloud-Based Solutions**
 - Implemented Sage Intacct and Sage 300 People for streamlined financial processes and workforce management, reducing administrative burdens and focusing on strategic initiatives.
- **Governance, Risk, and Compliance**
 - Utilised NexisLexis GRC to manage regulatory requirements effectively, automating compliance processes to mitigate risks and ensure adherence to legal standards.
- **Data-Driven Insights**
 - Leveraged tools like FDI signals for valuable market insights, enabling informed decision-making and identifying growth opportunities.
- **Enhanced Customer Engagement**
 - Adopted AmplifyCRM for improved relationship management, increasing customer satisfaction and loyalty through tailored services.
- **Streamlined Board Governance**
 - Utilised BoardEffect for efficient meeting management and document sharing, enhancing transparency and accountability in leadership.

- Collaboration Tools
 - Implemented cloud video conferencing solutions to enhance team collaboration in a remote work environment, maintaining productivity and teamwork.

2. Implementation of ICT Governance Framework

- Developed and updated multiple ICT policies, ensuring compliance with COBIT and ISO 27001 standards, particularly data security and incident response.

3. Effective Governance Structures

- Established the ICT Steering Committee to oversee strategy implementation and monitor performance. The committee met quarterly and emphasised risk management and compliance whilst fostering cross-functional collaboration.

4. Strengthened Internal Controls

- Implemented robust internal control measures, including:
 - Multi-factor authentication (MFA) across critical systems.
 - Formalised change management processes.
 - Achieved a 100% success rate in daily automated data backup recovery tests.

5. Cybersecurity Enhancements

- Prioritised cybersecurity by deploying advanced firewalls and endpoint protection, improving security scores. Completed mandatory cybersecurity training for 98% of employees, enhancing phishing response rates by 75%.

6. Capacity Building

- Engaged in continuous professional development, with team members receiving training in Microsoft Azure Administration and attending governance, risk, and compliance conferences.

7. Operational Improvements

- Implemented a new managed internet connectivity service, enhancing network performance and deploying Intune Cloud Management Services for comprehensive device and application security.

8. Service Performance Metrics

- Established a service desk to track service requests, achieving an average response time of 2 hours, demonstrating a commitment to efficient ICT service delivery.

These initiatives have enhanced governance, decision-making, and stakeholder engagement, positioning the department as a cornerstone of operational excellence and digital innovation. The focus on cybersecurity, compliance, and efficient service delivery has strengthened organisational resilience and stakeholder trust.

3.6.3 Marketing, Communication and Events

The AIDC-EC hosts own events and participates at stakeholders' events as its go-to market strategic approach for a cost-effective reach of the targeted audiences - promoting and positioning the AIDC-EC brand and the Eastern Cape at the centre of the automotive sector.

In the 2024/25 financial year, the Marketing, Communication and Events unit engaged its targeted stakeholders through the following events.

AIDC-EC 2024/25 AUTO ENGAGEMENTS EVENTS:

1. SAAM 2035 Strategic Objective 3: Automotive Industry Transformation	3rd Automotive Aftermarket Franchise Development Expo and B2B Indaba • Date: 3 October 2024 • Venue: East London International Convention Centre • Purpose: Promoted transformation and growth of the automotive aftermarket sector through franchising and B2B collaboration.
2. Celebrating 100 Years of the Automotive Sector in South Africa	Reimagining the Future, TOGETHER: Celebrating Automotive Heritage, Passion, and Ingenuity • Date: 15–18 October 2024 • Venue: Cape Town International Convention Centre • AIDC-EC Participation: Contributed to strategic discussions on the sector's future outlook as part of national centenary celebrations.
3. Electric Vehicle (EV) Charging Station Launches	5 of 14 planned charging sites formally launched • Led by: MEC Nonkqubela Pieters and MEC Mlungisi Mvoko • Occasion: NEV (New Energy Vehicles) Incentives Roundtable • Focus: Strengthening EV infrastructure as part of the province's green mobility strategy.
4. SAAM 2035 Strategic Pillar 6: Technology and Skills Development	3rd AIDC-EC Engineering Skills and Careers Expo • Date: 14–15 August 2024 • Venue: Nelson Mandela University, Gqeberha • Partners: Nelson Mandela University • Objective: Showcased future mobility skills and inspired youth to participate in a sustainable, innovative automotive ecosystem.

Engineering Skills and Careers Expo – 14 to 15 August 2024:



AIDC-EC 2024/25 Marketing and Communication:




ENABLING THE EASTERN CAPE AUTOMOTIVE SECTOR BECOME GLOBALLY COMPETITIVE





STRATEGIC MARKETING DECISIONS

Built internal capacity (on design & digital marketing)

Insourced website development and management, and refreshed the website

Refreshed the AIDC-EC Corporate Identity (CI) Manual






DIGITAL MARKETING PERFORMANCE

Website	
2023/24	2024/25
8 661	30 960

LinkedIn	
2023/24	2024/25
809	869

YouTube	
2023/24	2024/25
666 Views	1 136 Views

JOIN US




Women's Day Celebration

IN FULL BLOOM, AGQABI!

INSPIRE * INCLUDE * IMPACT

INTERNAL MARKETING

Co-hosted the 2nd SABC EC and AIDC-EC Women's Day Celebrations

30 August 2024 at the Nelson Mandela Bay Stadium

AIDC-EC Gqeberha Annual Gold Day – 17 October 2024:



AIDC-EC East London Annual Gold Day – 6 March 2025:



3.6.4 International Missions 2024/25

Delegation to Assess the Interest of EV Manufacturers to Locate in the Eastern Cape

14 - 22 April 2024



*China's automotive industry,
now a global leader in EVs,
accounts for:*

<i>55.5% of the global EV market (7.6 million units sold in 2023)</i>	<i>27 million New Energy Vehicles (NEVs) on its roads</i>
---	---

In contrast, South Africa has:

<i>A 0.02% national NEV penetration rate, highlighting a significant growth opportunity</i>	<i>Just 7,693 NEVs among 13.5 million registered vehicles</i>
---	---

Mission Objectives and Strategic Alignment:

- The visit aligned with President Ramaphosa's 2023 call to establish the Eastern Cape as South Africa's EV hub.
- The AIDC-EC delegation engaged with key Chinese EV stakeholders to:
 - *Attract investment.*
 - *Leverage China's advanced EV technologies and expertise.*
 - *Position the Eastern Cape's automotive base, SEZs, and ports as competitive assets.*

Post-Mission Priorities:

- Host a return Chinese delegation to assess the East London IDZ and port infrastructure.
- Convene a webinar on South Africa's evolving EV incentives.
- Advance planning for a multi-OEM EV Production Facility in the Eastern Cape.
- Prepare for a follow-up provincial mission to China in July 2024 to strengthen partnerships.

Strategic Outlook:

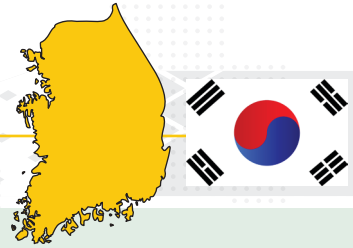
- China's EV trajectory serves as a model for South Africa.
- With the right investments and partnerships, the Eastern Cape is well-positioned to become Africa's EV gateway, driving sustainable mobility and long-term economic growth.

Key Considerations:

- Energy reliability remains a challenge; discussions included solutions such as off-grid EV charging infrastructure.

South Korea Mission

August 2024



In August 2024, the AIDC-EC embarked on a strategic mission to South Korea, following earlier engagements initiated by H.E. Chull-joo Park, South Korea's Ambassador to South Africa, in 2023.

The mission aimed to position the Eastern Cape as a hub for automotive innovation and investment, leveraging South Korea's technological expertise and the momentum of the Korea-Africa Summit.

Key Engagements:

Korea Automobile Industry Coop Association (KAICA):

- Shared Korea's journey from low local content to global automotive leadership.
- Proposed collaborations to develop Tier suppliers in the Eastern Cape.
- Offered publishing opportunities in KAICA's newsletter to promote the province.

Korea Automobile Environmental Association (KAEA):

- Highlighted deployment of 300,000+ EV chargers across South Korea.
- Discussed retrofitting South African commercial vehicles with emission-reduction technology.
- Explored co-development of EV infrastructure aligned with the Eastern Cape's green logistics agenda.

Korea Information Security Industry Association (KISIA):

- Stressed the need for cybersecurity talent in future automotive technologies.
- Proposed training programmes bridging academia and industry.
- Sparked interest in university partnerships in the Eastern Cape.

Hyundai Motor Group (HMG):

- Presented a vision to transform the Eastern Cape into an "Automotive City."
- Emphasised integrated solutions combining manufacturing, renewable energy, and skills development.
- Positioned the province as a gateway for pan-African automotive growth.

Korea University of Technology and Education (KoreaTech):

- Showcased industry-aligned TVET models and training innovations.
- Proposed:
 - Lecturer exchange programmes.
 - Joint curriculum development.
 - Research collaborations in lithium-ion battery and solar technologies.

Way Forward:

- Prioritise formalising partnerships through MOUs.
- Host Korean delegations to deepen bilateral ties.
- Advance pilot projects in:
 - *EV infrastructure.*
 - *Supplier development.*

This mission underscored the Eastern Cape's strategic potential to drive Africa's automotive future through innovation, sustainability, and global collaboration.

Presidential State Visit and Investment Agreements**30 August – 6 September 2024**

The Eastern Cape continued to strengthen its global reputation as a frontrunner in automotive innovation, particularly in electric mobility. Key highlights from the provincial delegation's visit to China include:

CCIG Agreement:

- A significant agreement was signed with China Communications and Investment Group (CCIG) to manufacture electric buses locally.
- The buses will be produced at a hub within the East London Special Economic Zone (ELSEZ).
- The project promotes technology transfer, advances sustainability goals, and strengthens South Africa's EV manufacturing capacity.

Engagement with BYD:

- President Cyril Ramaphosa engaged with BYD following the launch of its Atto 3 electric vehicle in 2023.
- The Eastern Cape reaffirmed support for BYD's feasibility studies and proposed:
 - *Tailored infrastructure within the ELSEZ.*
 - *Strategic alignment with national EV incentives.*
 - *Leverage of an established automotive supplier ecosystem (21+ suppliers in ELSEZ).*

Provincial EV Strategy:

- Currently in development, the strategy focuses on:
 - *Charging infrastructure development.*
 - *Investment readiness and policy alignment.*
 - *Sustainable, job-rich growth in the EV sector.*

Next Steps:

- Finalisation of CCIG-SIGA lease agreements.
- Development of a competitive BYD investment proposal.

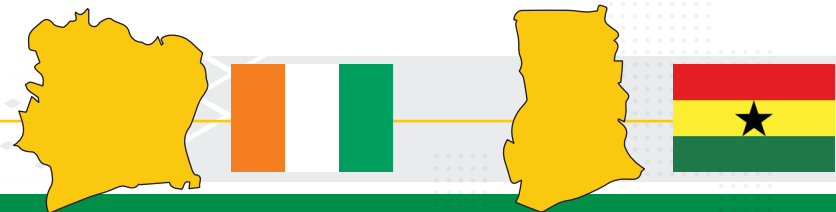
Continued advocacy and monitoring to ensure alignment with provincial goals for:

- Job creation
- Technological advancement
- Environmental sustainability

The Eastern Cape is positioning itself as Africa's electric mobility hub through strategic international partnerships, advanced infrastructure, and an enabling policy environment.

East Africa and West Africa Missions

October 2024



Benchmark Mission to Côte d'Ivoire and Ghana

Purpose:

To analyse the automotive sectors of Côte d'Ivoire and Ghana with a focus on:

- Policy development
- Supplier development
- Investment facilitation
- Aftermarket support

Key Insights and Observations:

Côte d'Ivoire:

- The country is in the early stages of developing its automotive policy.
- Initial incentives for local assembly—especially of commercial vehicles—are being introduced.
- The regulatory environment remains nascent but demonstrates a clear intent to stimulate domestic production.
- Opportunities may arise for Eastern Cape component suppliers to tap into this emerging market.

Ghana:

- Ghana's Automotive Development Policy is more advanced and has successfully attracted global OEMs, including Kia.
- A strong emphasis on local content development creates pathways for Ghanaian suppliers to integrate into global value chains.
- This presents viable opportunities for Eastern Cape suppliers to establish direct partnerships, form joint ventures and consider localised operations

Aftermarket Support (both countries):

- Dominated by independent workshops and spare parts importers.
- While formal dealerships exist, the majority of maintenance and repair services occur within the informal sector.

- Kumasi in Ghana is a central hub for such services and presents an entry point for further collaboration.

Outcomes:

- Introductions and linkages were facilitated between Eastern Cape manufacturers and stakeholders in Kumasi.
- Interest in partnerships and knowledge-sharing with Eastern Cape component suppliers was expressed by counterparts in both countries.

Germany – Hannover Messe Show 2025 and United Nations Industrial Development Organization (UNIDO)

30 March – 4 April 2025



The Eastern Cape's international mission to Hannover Messe 2025 focused on advancing industrial development through the establishment of the Smart Industrial Academy in Gqeberha—a collaborative initiative between the Eastern Cape Government, UNIDO, and the Deutsche Messe Technology Academy (DMTA).

Key Objectives and Outcomes:

- Finalisation of the Smart Industrial Academy's business plan, incorporating AI-driven solutions.
- Preparation and submission of funding proposals for support within the SADC region.
- Secured financial commitments, including:
 - Land and operational support from the Eastern Cape Government.
 - SADC funding confirmed by UNIDO.
- High-level endorsements from:
 - Government of Lower Saxony.
 - Hannover Business Chamber.
 - Volkswagen AG.
- Strengthened global partnerships, with stakeholder invitations extended to:
 - Swiss Smart Factory.
 - Morocco Smart Academy.
- Promotion of cross-border collaboration in industrial innovation and training.
- Strategic Significance:
 - Reinforced the Eastern Cape's positioning as a regional leader in industrial innovation and skills development.
 - Supported progress on related initiatives, including investor engagement for the Hemp Project in Ndlambe.
 - Celebrated 30 years of the Eastern Cape–Lower Saxony partnership, with commemorative events planned for Germany and Switzerland.

3.7 ANNUAL PERFORMANCE PLAN 2024/25

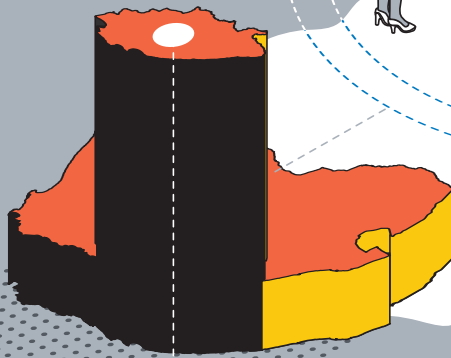
Strategic Objective	Key Performance Indicators	Responsible Unit	Outcome	Annual Target	Annual Actuals	
1	Effective Coordination of Stakeholders for Maximum Sector Impact in the Eastern Cape					
	1.1 Participate in feedback meetings of naamsa and AAAM oversight meetings	Office of the CEO	To establish communication platforms between government and automotive industry for the successful implementation of SAAM 2035 strategic pillars through the defined actions and resolutions agreed at formal engagements. Compile a quarterly report to be included in the Board pack	4	4	
2	Effective Coordination and Implementation of SAAM 2035 and NEV Policy in the Eastern Cape					
		2.1 Re-establishing the Science, Technology, Engineering & mathematics (STEM) project in the EC	Future Skills and Sustainable Energy	60 school learners assisted in Maths and Science to improve their Matric pass level	240	240
		2.2 Re-establishing Chair of Automotive - Source bursaries for Engineering and digital skills for learners	Future Skills and Sustainable Energy	Digital Skills improved amongst the EC youth through the awarding	138	156
		2.3 uYilo e-Mobility Project: Youth trained in e-mobility ecosystem	Future Skills and Sustainable Energy	New e-Mobility knowledge imparted to youth	40	101
		2.4 uYilo e-Mobility Project - Enhance e-mobility Capacity, Incubation and Skills in the EC	Future Skills and Sustainable Energy	Improving and maintaining the quality of products and material manufactured by suppliers and manufacturers in the Eastern Cape and implementation of incubation	35	44
		2.5 uYilo e-Mobility Project - Enhance e-mobility Capacity, Incubation and Skills in the EC	Future Skills and Sustainable Energy	New Skills developed amongst youth	6	120
3	Promote transformation by supporting SMMEs in the Aftermarket in the Eastern Cape					
			Aftermarket	3 calls for expression of interest advertised	3	4
			Aftermarket	100 HDI SMMEs registered in the database	100	86
		3.1 Identify and Support 100 HDI Suppliers in transformation	Aftermarket	100 SMMEs OHS compliance and support provided	100	106
			Aftermarket	100 SMMEs to be trained	100	86
			Aftermarket	75 SMMEs supported to acquire tools, equipment, and machinery	75	0

Strategic Objective	Key Performance Indicators	Responsible Unit	Outcome	Annual Target	Annual Actuals
Promote transformation by supporting SMMEs in the Aftermarket in the Eastern Cape (continued)	3.2 <i>Aftermarket opportunities Awareness Campaigns</i>	Aftermarket	Automotive Industry being made aware of opportunities in the sector	12	13
	3.3 <i>Franchise Opportunities EXPO</i>	Aftermarket	HDI small businesses introduced and supported to take up Franchising as a business model. 1 Event Hosted	1	1
	3.4 <i>Industry Transformation - Township Auto Hubs. Submission of a Business Plan for the Establishment of 1 Township Automotive Hub in eGcuwa (Butterworth), Mthatha, Sommerset East and Queenstown</i>	Aftermarket	Funding Business Plans submitted and engagements initiated with potential project funders for the Automotive Incubator	3	3
4 Effective Implementation of Projects that Supports Investments, Localisation and Transformation in the Eastern Cape	4.1 <i>Source funding for Incubator Auto Hub</i>	CS&IS	Funding Business Plans submitted and engagements initiated with potential project funders for the Automotive Incubator	1	1
	4.2 <i>Industry Transformation - Electrical Vehicles</i>	"E-Mobility and Climate Change Support"	EV Strategy Awareness	1	1
	4.3 <i>Development of skilled staff for the EC automotive industry to operate within a world class manufacturing environment</i>	CS&IS	Employee training and skills development within the Eastern Cape Automotive Sector	400	467
	4.4 <i>Number of Employees at participating companies impacted</i>	CS&IS	The staff compliment of contracted companies capacitated through world class manufacturing continuous improvement interventions	2589	2712
	4.5 <i>Source funding for Smart Academy</i>	CS&IS	Funding Business Plans submitted and engagements initiated with potential project funders for the Smart Academy	1	1
	4.6 <i>Installation of 13 EV charging stations in the EC</i>	"E-mobility and Climate Change Support"	Facilitation of EV Charging stations. 13 Charging stations to be installed in EC Board	13	13
	4.7 <i>Continuous Improvement of Competitiveness of Suppliers through AIDC-EC programmes</i>	CS&IS	Signed project charter/contracts for continuous improvement interventions	31	72

Strategic Objective	Key Performance Indicators	Responsible Unit	Outcome/ Rating (%)	Annual Target	Annual Actuals
5 Effective Governance Measures	5.1 <i>Effective and efficient management of finances including compliance with relevant legislative requirements</i>	Finance	Attain an unqualified audit report of financial statements for 2023-2024	1	1
	5.2 <i>A mature control framework through embedded risk management, improved business processes and zero tolerance of fraud and corruption.</i>	Finance	Reduction of internal control deficiencies reported in previous external and internal audit reports	100%	80%
	5.3 <i>Conduct an Annual review and Development of relevant Policies</i>	Finance	Review policies to be in line with best practices and up to date with legislative framework. Perform 2 policy review workshops with the Board.	2	1
	5.4 <i>Board approved Corporate Governance of ICT (CGICT) Policies Framework to support business operations and manage ICT related risk</i>	ICT Governance and Digital Services	Board approved CGICT Governance Policy Framework	1	1
	5.5 <i>ICT Steering Committee members trained and meetings convened quarterly</i>		ICT Steering Committee members trained and 3 Meetings held	4	3
6 Human Capital	6.1 <i>Developing and executing Human Capital Strategy</i>	Human Capital	Securing sufficient resources to successfully implement the HC strategy. Approved 3 to 5 year HC Strategy.	1	0
	6.2 <i>Building a strong Employee Value Proposition (EVP) and creating a high performance culture</i>	Human Capital	Benchmarking compensation and benefits to be able to attract and retain right talent. Final Report approved by Board. Benchmarking exercise completed.	1	1
		Human Capital	Fostering a culture of continuous development (Skills Development). 100% of annual training planned achieved.	100%	75%
		Human Capital	Conduct effective performance reviews and Full compliance to Performance Management System. Qtr1 - 100% Final performance Reviews conducted. Qtr2 - 100% Signed Contracts in place. Qtr3 - 100% - mid year Performance reviews.	4	3
		Human Capital	Company values embedded and integrated to company culture (Engaged and empowered employees). Hosting 2 employee engagement sessions.	2	2

Strategic Objective	Key Performance Indicators	Responsible Unit	Outcome	Annual Target	Annual Actuals
7 Alignment of ICT Strategy with Organisational Strategy	7.1 Current ICT Strategy 2019-2024 roadmap implemented	ICT Governance and Digital Services	Enhance efficiency and effectiveness of operations by using ICT systems in line with organisational requirements. Qtr1 - Complete, service desk implemented. Qtr2 - Board, Management and Committee Meetings solution implemented. Qtr3 - 1. Governance, Risk and Compliance software implemented. 2. Customer Relationship Management Solution for economic development organisations implemented. Qtr4 - 1. Core HR module implemented. 2. Finance solution implemented.	4	4
	8.1 Effective Marketing and Communication to Stakeholders through Website, LinkedIn and YouTube	Marketing, Communication and Events	Effective communication to Stakeholders through information sharing on the website (Quarter-on-Quarter comparison). 20% growth per annum. Increase LinkedIn following (Quarter-on-Quarter comparison). 20% growth per annum. Set YouTube Viewership baseline for the year to inform the following year's targets.	20% 20% 1	810% 9% 0
8 Marketing, Communication & Events	8.2 Establish a PR & Communication Function	Marketing, Communication and Events	Appoint a PR & Communication Human Resource. Draft a PR & Communication Plan. Set PR baseline for the year to inform the following year's targets. Qtr1 - Appoint a PR & Communication Human Resource; Develop a PR & Communication Plan that promotes and supports AIDC-EC's operational activities. Set PR Baseline for Q2, Q3 & Q4.	2	1
	8.3 Approved Marketing Plan		Auto Sector Centenary PR Campaign. Qtr1 - PR Plan. 4 case studies showcased.	5	0
			An AIDC-EC Corporate Strategy aligned Marketing Plan. 1 Event.	1	1
			Franchise EXPO. 1 Event.	1	1
			Career / Skills EXPO: Maths and Science Career Opportunities Expo. 1 Event.	1	1
	8.4 Execute AIDC-EC strategic marketing events as per annual events plan		EV Incentives Unpacking Roundtable. 1 Event.	1	1
			AIDC-EC Golf Days (3rd Editions, East London & Gqeberha). 2 Events.	2	2
			Women's Month Celebration Campaign. 1 Event.	1	1
			New Office Showcase Series of Events. 1 Event.	1	0

SECTION



**ANNUAL
FINANCIAL
STATEMENTS**

AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended

31 March 2025

AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main activity of the company is to provide strategic solutions and support services to the automotive industry, which is seen by the Eastern Cape Province as an important contributor to the province's economic development.
Directors	Phumzile Zitumane (Chairperson) Xolani Mpahlwa Mthobi Tyamzashe Ntombizine Madyibi Nondumiso Ngonyama Tracy Cumming Thabo Shenxane (CEO)
Registered office	70 Prince Alfred Rd Nelson Mandela Bay Stadium Gqeberha Eastern Cape 6000
Business address	70 Prince Alfred Rd Nelson Mandela Bay Stadium Gqeberha Eastern Cape 6000
Shareholder	Eastern Cape Development Corporation ("ECDC")
Bankers	Standard Bank of South Africa Limited
Auditor	Nexia SAB&T Incorporated Chartered Accountant (SA) Registered Auditor
Secretary	Yogavelli Naidoo
Company registration number	2003/018741/30
Tax reference number	9111665155
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were internally compiled by: Ziyanda Nyangule CA (SA) Under supervision of Kevin Horn AGA (SA)
Abbreviations	ECDC: Eastern Cape Development Corporation

Contents

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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Independent Auditor's Report	85 - 92
Statement of Financial Position	93
Statement of Profit or Loss and Other Comprehensive Income	94
Statement of Changes in Equity	95
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Notes to the Annual Financial Statements	104 - 122
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	123 - 124

Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2025 financial year of AIDC Eastern Cape SOC Limited.

1. Members of the Audit, Risk and Governance Committee

The members of the Audit Committee consists of non-executive directors and independent members and meets at least 4 times a year. All members act independently as required by the Companies Act.

The members of the audit committee at year-end were:

Name		Designation
Ntombizine	Madyibi	Director
Nondumiso	Ngonyama	Director
Mthobi	Tyamzashe	Director
Sisanda	Mneni	Independent Member
Kamlesh	Riga	Independent Member

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Audit, Risk and Governance Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

The committee held 4 scheduled meetings during 2025 and all the members of the committee attended all the meetings.

The internal and external auditors attended and reported to all meetings of the Audit Committee. The risk management function was also represented.

3. External auditor

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

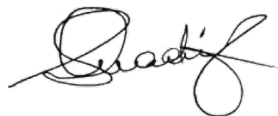
4. Annual Financial Statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

5. Accounting practices and internal control

The internal audit function is provided by the Eastern Cape Development Corporation ex gratia for the year under review. The Audit Committee approved the internal audit plan. Internal audit and risk management reports were reviewed and where relevant recommendations were made to management and Board. The Audit Committee is satisfied that management has implemented control measures to mitigate risks identified.

On behalf of the audit committee



Ntombizine Madyibi
Chairperson Audit Committee

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 85 to 92.

The annual financial statements set out on page 93, which have been prepared on the going concern basis, were approved by the board of directors on 30 July 2025 and were signed on their behalf by:



Thabo Shenxane (CEO)



Phumzile Zitumane (Chairperson)

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of AIDC Eastern Cape SOC Limited for the year ended 31 March 2025.

1. Nature of business

AIDC Eastern Cape SOC Limited was incorporated in South Africa with interests in the automotive industry. The company operates in South Africa.

The main activity of the company is to provide strategic solutions and support services to the automotive and broader manufacturing industry. This is seen as an important contributor to the Eastern Cape province's economic development. The impact of the services rendered by the company is presented in more detail within the annual report.

The following are the key focus areas of delivery within the company.

- **Automotive Aftermarket Support Programme** - The business unit focuses on the ecosystem of businesses and services that support vehicles after they have been sold by the original equipment manufacturers (OEMs). The targeted audience are historically disadvantaged Micro, Small and Medium Enterprises (MSMEs).
- **Component Suppliers and Investor Support** - The business unit is committed to bolstering the Eastern Cape automotive sector through a comprehensive range of services. It focuses on three main areas: Consulting, Component Supplier Support, and Industry Investment Support.
- **Future Skills and Sustainable Energy** - Collaborating closely with a diverse array of stakeholders, including governmental bodies, educational institutions (universities, TVET colleges, as well as high schools), and industry partners, the business unit endeavours to pioneer the development of requisite skills. Through strategic partnerships and comprehensive initiatives, the aim is to foster an ecosystem primed for sustainable growth and innovation within the automotive sector.
- **eMobility and Climate Change Mitigation** - The business unit is focused and dedicated to driving the transition to sustainable transportation solutions and mitigating the impacts of climate change. The mission of the unit is to lead the sector in e-mobility innovation, education, and advocacy, while promoting a culture of sustainability

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently and compared to the prior year, except for the adoption of new or revised accounting standards as set out in note.

The company recorded a net profit after tax for the year ended 31 March 2025 of R89,776. This represented an increase from the net loss after tax of the prior year of -R356,451.

Company revenue decreased from R2,466,774 in the prior year to R2,186,020 for the year ended 31 March 2025

Company cash flows from operating activities decreased from R54,555,483 in the prior year to -R9,701,870 for the year ended 31 March 2025.

3. Share capital

Authorised			2025	2024
			Number of shares	
Ordinary shares			1,000	1,000
Issued	2025	2024	2025	2024
	R	R	Number of shares	
Ordinary shares	100	100	100	100

Refer to note 10 of the annual financial statements for detail of the movement in authorised and issued share capital.

Directors' Report

4. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

Directors of the company have directors liability insurance in place

Due to the nature and high value of the electric vehicle chargers, the company in consultaion with the insurance brokers has increased the insurance cover in the current year to adequately cover all risks associated with ownership of the new machinery.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
Phumzile Zitumane (Chairperson)	Chairperson	Non-executive	
Kamlesh Riga	Director	Non-executive	Resigned Thursday, 12 September 2024
Xolani Mpahlwa	Director	Non-executive	
Mthobi Tyamzashe	Director	Non-executive	
Ntombizine Madyibi	Director	Non-executive	Appointed Monday, 08 July 2024
Nondumiso Ngonyama	Director	Non-executive	Appointed Sunday, 01 September 2024
Tracy Cumming	Director	Non-executive	Appointed Friday, 28 March 2025
Thabo Shenxane (CEO)	Director	Executive	

Resignations/deaths/retirements/removals of directors

Directors	Cause of change	Office	Designation	Date
Kamlesh Riga	Term ended	Director	Non-executive	12 September 2024

Appointments of directors

Directors	Office	Designation	Date
Ntombizine Madyibi	Director	Non-executive	08 July 2024
Nondumiso Ngonyama	Director	Non-executive	01 September 2024
Tracy Cumming	Director	Non-executive	28 March 2025

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use. 13 NEV charging station were capitalised to Property, Plant and Equipment from Capital work in progress as available and ready for use at year end.

At 31 March 2025 the company's investment in property, plant and equipment amounted to R24,122,753 (2024: -R 15,077,373, of which R10,509,123 (2024: R 14,507,360) was added in the current year through additions.

8. Holding company

The company's holding company is Eastern Cape Development Corporation ("ECDC") which holds 100% (2024: 100%) of the company's equity. Eastern Cape Development Corporation ("ECDC") is incorporated in South Africa.

Directors' Report

9. Borrowing powers

The company did not enter into any borrowing transactions during the year under review. The company continues to have no significant interest bearing debt

10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. Going concern

The annual 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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company 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 company. 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 company.

The ability of the company to continue as a going concern is however highly dependent on receiving MTEF funding for the 2024-25 financial year from its shareholder, ECDC. A three year budget allocation letter has been received with the confirmed funding for operations of R95.13 million for the 2025-26 financial year and R67,734 million for the 2026-27 financial year

12. Auditors

Nexia SAB&T Incorporated were reappointed as auditors for the company for 2025.

13. Secretary

The company secretary is Mrs Yogavelli Naidoo.

Business address:

70 Prince Alfred Rd
Nelson Mandela Bay Stadium
Gqeberha
Eastern Cape
6000

INDEPENDENT AUDITOR'S REPORT TO DIRECTORS ON THE AIDC EASTERN CAPE SOC LIMITED**Report on the audit of the financial statements****Opinion**

We have audited the financial statements of the AIDC Eastern Cape SOC Limited set out on pages 93 to 122, which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other comprehensive income, statement of changes in equity, and the statement of cash flows for the year then ended, as well as notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the AIDC Eastern Cape SOC Limited as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 71 of 2008 (Companies Act of South Africa) and Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa and PFMA and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Audit. Tax. Advisory.

Chairperson: Ms A Zange
Chief Executive Officer: Mr MF Sulaman
SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Johannesburg, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
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Please see the "Member firm disclaimer, <https://nexia.com/member-firm-disclaimer/>" for further details.
SAB&T Chartered Accountants Incorporated is an authorised financial services provider.
* A full list of directors is available for inspection at the company's registered office or on request.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 90, forms part of our auditor's report.

Report on the audit of the annual performance report

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected material performance indicators presented in the annual performance report. The directors are responsible for the preparation of the annual performance report.

We selected the following objective presented in the annual performance report for the year ended 31 March 2025 for auditing. We selected an objective that measure the company's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page number	Purpose
Objective 1: Effective Coordination of Stakeholders for Maximum Sector Impact in the Eastern Cape	72	To improve communication between the government and the automotive industry to implement SAAM 2035 successfully.
Objective 2: Effective Coordination and Implementation of SAAM 2035 and NEV Policy in the Eastern Cape	72	To develop well-trained and qualified employees of the suppliers to produce products of international standards and to provide accredited training to suppliers for improved profitability
Objective 3: Promote transformation by supporting SMMEs in the Aftermarket in the Eastern Cape	72 - 73	HDI suppliers are capacitated to take up opportunities in the automotive industry to identify automotive aftermarket service providers owned by historically disadvantaged individuals (HDIs) assess

Objective	Page number	Purpose
		their needs, develop interventions, facilitate funding, and ensure they meet the automotive aftermarket industry accreditation standards.
Objective 4: Effective Implementation of Projects that Supports Investments, Localisation and Transformation in the Eastern Cape	73	Employee training and skills development within the Eastern Cape automotive sector. Employees at participating companies capacitate employees at participating companies capacitated through world-class manufacturing cost improvements at contracted suppliers. Facilitation of investment into the Eastern Cape automotive value chain.

We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the company's planning and delivery on its mandate and objectives.

We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the company's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the company's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable

We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

We did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The directors are responsible for the company's compliance with legislation.

We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the company, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

The directors are responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report as required by the Companies Act of South Africa. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

We did not identify any significant deficiencies in internal control.

Auditor tenure

In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of AIDC Eastern Cape SOC Limited for 4 years.

Nexia SAB&T
Jakobus Stefanus du Toit
Director
Registered Auditor
Date: Jul 31 2025
Port Elizabeth



Annexure to the auditor's report

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing

Auditor's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the company's compliance with selected requirements in key legislation.

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a company to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

1. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999	Section 50(3)(b); 51(1)(a)(iii); 51(1)(b)(i); Section 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 54(2)(c); Section 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56; 57(b); 57(d); 66(3)(d); 66(5); 67
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; Regulation 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; Regulation 31.1.2(c); 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment to National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2

Legislation	Sections or regulations
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2, 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Notes	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	3	24,122,753	15,077,373
Right-of-use assets	4	2,952,435	-
Intangible assets	5	595,298	54,141
Deferred tax	6	-	1,026,189
		27,670,486	16,157,703
Current Assets			
Trade and other receivables	7	1,231,500	1,207,469
Current tax receivable	8	75,421	75,421
Cash and cash equivalents	9	49,811,264	67,195,527
		51,118,185	68,478,417
Total Assets		78,788,671	84,636,120
Equity and Liabilities			
Equity			
Share capital	10	100	100
Retained income		17,417,199	17,327,422
		17,417,299	17,327,522
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	3,288,389	61,451
Deferred income	11	24,765,913	15,720,533
		28,054,302	15,781,984
Current Liabilities			
Trade and other payables	12	3,756,490	3,616,707
Lease liabilities	4	119,599	48,703
Deferred income	11	25,398,158	44,841,293
Provisions	13	3,612,823	2,589,911
Other liability	14	430,000	430,000
		33,317,070	51,526,614
Total Liabilities		61,371,372	67,308,598
Total Equity and Liabilities		78,788,671	84,636,120

AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended 31 March 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	15	2,186,020	2,466,774
Project expenses	16	(2,629,836)	(1,462,141)
Gross (loss) profit		(443,816)	1,004,633
Other operating income	17	66,279,780	50,620,252
Other operating gains (losses)	18	(13,022)	4,369
Movement in credit loss allowance	19	(918,911)	(14,497)
Other operating expenses		(67,553,274)	(54,314,814)
Operating (loss) profit	19	(2,649,243)	(2,700,057)
Investment income	20	4,003,965	2,283,069
Finance costs	21	(238,757)	(72,917)
Profit (loss) before taxation		1,115,965	(489,905)
Taxation	22	(1,026,189)	133,454
Profit (loss) for the year		89,776	(356,451)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		89,776	(356,451)

AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Opening balance as previously reported	100	4,276,734	4,276,834
Adjustments			
Prior year adjustments	-	13,407,139	13,407,139
Balance at 01 April 2023 as restated	100	17,683,873	17,683,973
Loss for the year	-	(356,451)	(356,451)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(356,451)	(356,451)
Balance at 01 April 2024	100	17,327,423	17,327,523
Profit for the year	-	89,776	89,776
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	89,776	89,776
Balance at 31 March 2025	100	17,417,199	17,417,299
Note	10		

AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended 31 March 2025

Statement of Cash Flows

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Cash receipts from customers		30,974,111	107,564,108
Cash paid to suppliers and employees		(40,675,981)	(53,008,625)
Cash (used in)/generated from operations	23	(9,701,870)	54,555,483
Interest income	20	4,003,965	2,283,069
Finance costs	21	-	(72,917)
Tax paid	24	-	(613,054)
Net cash from operating activities		(5,697,905)	56,152,581
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(10,509,123)	(14,507,360)
Proceeds from sale of property, plant and equipment	3	12,789	14,477
Purchases of intangible assets	5	(1,141,276)	(4,200)
Net cash from investing activities		(11,637,610)	(14,497,083)
Cash flows from financing activities			
Cash repayments on lease liabilities	4	(48,749)	(30,321)
Total cash movement for the year		(17,384,264)	41,625,177
Cash and cash equivalents at the beginning of the year		67,195,527	25,570,350
Cash and cash equivalents at the end of the year	9	49,811,263	67,195,527

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa as amended.

The annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. Furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Employee benefit provisions

The employee benefit provision is uncertain based on achieving pre determined objectives and approval by the Board

Useful lives of intangible assets

Management assess the appropriateness of the useful lives intangible assets at the end of each reporting period

Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Useful life
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	10 years
IT equipment	Straight line	5 years
Security equipment	Straight line	3 years
Leasehold improvements	Straight line	10 years
Right of use assets	Straight line	10 years
NEV Charging stations	Straight line	20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Assets below R7 000 are not recognised as assets and are therefore not capitalised.

Accounting Policies

1.4 Intangible assets

An intangible asset is recognised when

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation is provided on a straight line basis over their useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.5 Financial instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the company are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Tax expenses

The income tax expense consists of deferred tax and is recognised in profit or loss.

1.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Accounting Policies

1.7 Leases (continued)

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets classified as leasehold improvements.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.8 Share capital and equity

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of paid annual leave and sick leave, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.10 Provisions and contingencies

The company recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the company will be required to settle the obligation.

Performance bonus provision that is based on the entity achieving at least 85% of its pre determined objectives and is payable on the verification of these objectives by external audit and approval of the Board.

1.11 Revenue

The company recognises revenue from the following major sources:

- Government grants
- Revenue from contracts with customers

Accounting Policies

1.11 Revenue (continued)

Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable. The realisation of the government grant income is recognised in other income in the statement of comprehensive income.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Repayment of a grant related to income is applied first against any unamortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Revenue from contracts with customer

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

The company provides consulting and training services to the broader manufacturing industry. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For fixed term contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the company has a right to invoice.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

1.12 Project expenses

The related cost of providing services recognised as revenue in the current period is included in project expenses.

1.13 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of comprehensive income in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Accounting Policies

1.14 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- a) PFMA, or
- b) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no.4 of 2008/2009 which was issued in terms of section 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which were condoned before year end/ or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements. When irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable by law. Immediate steps must therefore be taken to recover the amount from the person concerned. If recovery is not possible, the accounting authority may write off the amount and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Act or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Position and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Position

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	1,724,935	(117,251)	1,607,684	111,846	(71,834)	40,012
Office equipment	285,117	(182,465)	102,652	285,117	(142,470)	142,647
IT equipment	2,942,940	(1,651,781)	1,291,159	2,053,440	(1,024,070)	1,029,370
Leasehold improvements	8,898,092	(519,055)	8,379,037	4,734,909	-	4,734,909
NEV Charging stations	12,050,794	(128,777)	11,922,017	-	-	-
Security equipment	12,045	(12,045)	-	12,045	(12,045)	-
Capital - Work in progress	820,204	-	820,204	9,130,435	-	9,130,435
Total	26,734,127	(2,611,374)	24,122,753	16,327,792	(1,250,419)	15,077,373

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	40,012	1,641,364	(23,389)	53,749	(104,052)	1,607,684
Office equipment	142,647	-	-	-	(39,995)	102,652
IT equipment	1,029,370	910,264	(2,422)	-	(646,053)	1,291,159
Leasehold improvements	4,734,909	4,163,183	-	-	(519,055)	8,379,037
NEV Charging stations	-	-	-	12,050,794	(128,777)	11,922,017
Capital - Work in progress	9,130,435	3,794,312	-	(12,104,543)	-	820,204
	15,077,373	10,509,123	(25,811)	-	(1,437,932)	24,122,753

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	51,201	-	-	(11,189)	40,012
Office equipment	196,196	-	(1,111)	(52,438)	142,647
IT equipment	804,155	642,016	(8,997)	(407,804)	1,029,370
Leasehold improvements	-	4,734,909	-	-	4,734,909
Security equipment	2,676	-	-	(2,676)	-
Capital - Work in progress	-	9,130,435	-	-	9,130,435
	1,054,228	14,507,360	(10,108)	(474,107)	15,077,373

Capital - Work in progress relates to the procurement of hardware for electric vehicle charging stations that are currently being rolled out in various national roads around Eastern Cape Province. Two charging stations were not yet installed and ready for use at year end.

Details of right-of-use-assets which have been included in property, plant and equipment. Included in office equipment is right-of-use assets with carrying value of R63 095 (2024: R91 146).

4. Right of use assets

The company entered into an agreement with Mandela Bay Development Agency NPC to lease 1080 square metres office space within the Nelson Mandela Bay Stadium for a 5 year period with an option to renew for further 5 years. The company has since taken occupation of the property as from 1 September 2024. Lease payments will only commence from 30 September 2025.

Notes to the Annual Financial Statements

4. Right of use assets (continued)

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leasehold property	3,107,826	(155,391)	2,952,435	-	-	-

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Leasehold property	2,952,435	-
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Additions to right-of-use assets

Leasehold property	3,107,825	-
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Depreciation recognised on right-of-use assets

Leasehold property	155,391	-
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Other disclosures

Interest expense on lease liabilities	236,035	18,285
Expenses on short-term leases included in operating expenses	161,970	390,864

The interest expense on lease liabilities relates to a lease of a printing machine classified as office equipment under PPE and lease of office building. The liability is disclosed below.

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	363,809	48,702
Two to five years	2,454,213	85,987
Six to ten years	3,269,944	-
	6,087,966	134,689
Less finance charges component	(2,674,285)	(24,535)
	3,413,681	110,154
Non-current liabilities	3,288,389	61,451
Current liabilities	119,599	48,703
	3,407,988	110,154

The lease term for the copier is for a period of 60 months started 1 July 2022 and will end 30 June 2027. Instalments of R 3 295.98 at 0% annual escalation are payable monthly in arrears.

All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The company's obligations are secured by the lessor's charge over the leased assets. Refer to note 3.

Notes to the Annual Financial Statements

5. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	1,404,649	(809,351)	595,298	263,374	(209,233)	54,141

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software, other	54,141	1,141,276	(600,119)	595,298

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	103,515	4,200	(53,574)	54,141

6. Deferred tax

Deferred tax asset

The deferred tax asset was derecognised in the current year as the company was approved for tax exemption effective from 26 June 2024.

Deferred tax liability	-	1,026,189
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Reconciliation of deferred tax asset / (liability)

At beginning of year	1,026,189	739,189
(deductible) temporary difference movement on leave pay	-	80,246
Taxable / (deductible) temporary difference movement on employee benefit provision	-	210,354
Taxable / (deductible) temporary difference on allowance for credit losses	-	(1,786)
Taxable / (deductible) temporary difference on lease liability	-	(592)
Taxable / (deductible) temporary difference movement on prepaid expenses	-	(1,222)
Deferred tax asset derecognised	(1,026,189)	-
	-	1,026,189

7. Trade and other receivables

Financial instruments:

Trade receivables	1,436,271	306,803
Loss allowance	(941,411)	(22,500)
Trade receivables at amortised cost	494,860	284,303
Deposits	2,800	837,370
Other receivable	88,622	8,455

Non-financial instruments:

VAT	617,439	-
Prepayments	27,779	77,341

Total trade and other receivables	1,231,500	1,207,469
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Notes to the Annual Financial Statements

7. Trade and other receivables (continued)

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	586,282	1,130,128
Non-financial instruments	645,218	77,341
	1,231,500	1,207,469

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The company followed a forward looking approach and each individual debtor was assessed for the measurement of the loss allowance.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due:	749,256	(718,436)	77,837	-
Less than 30 days past due:	318,620	(69,400)	63,715	-
31 - 60 days past due:	15,410	-	-	-
61 - 90 days past due:	15,410	-	139,376	-
More than 120 days past due:	337,574	(153,574)	25,875	(22,500)
Total	1,436,270	(941,410)	306,803	(22,500)

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
8. Current tax payable (receivable)		
Normal tax	75,421	75,421
Net current tax receivable (payable)		
Current assets	75,421	75,421
Current liabilities	-	-
	75,421	75,421

No current tax was recognised in the current year as the company was approved for tax exemption effective from 26 June 2024

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,002	3,177
Bank balances	3,920,906	28,811,660
Short-term deposits	45,887,399	38,379,963
Other cash and cash equivalents	957	727
	49,811,264	67,195,527

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

ABSA Bank Limited - P-1.ZA	-	2,682,706
Standard Bank of South Africa Limited -P-1-.ZA	49,809,262	64,509,645
	49,809,262	67,192,351

10. Share capital

Authorised

1000 Ordinary shares of R1 each or par value of R1	1,000	1,000
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Describe any changes in authorised share capital e.g. Conversion to net present value shares.

Reconciliation of number of shares issued:

Reported as at 01 April	100	100
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Issued

Ordinary	100	100
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11. Deferred income

Government grants are recognised in the financial statements to the extent that it has been expensed in terms of the agreement. The unutilised government grant received is carried forward to the next financial year.

Government grants	50,164,071	60,561,826
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Notes to the Annual Financial Statements

Figures in Rand		2025	2024		
11. Deferred income (continued)					
Split between non-current and current portions					
Non-current liabilities		24,765,913	15,720,533		
Current liabilities		25,398,158	44,841,293		
		50,164,071	60,561,826		
Unutilised government Grants- 2025	Opening balance	Received during the year	Applied to acquired fixed assets	Utilised during the year	Total
Grant received from ECDC - 2024 Excess allocation	23,320,388	-	-	(10,642,459)	12,677,929
Grant received from ECDC - Auto ndustry support	21,520,905	27,108,696	(3,740,563)	(32,168,809)	12,720,229
	44,841,293	27,108,696	(3,740,563)	(42,811,268)	25,398,158
Unutilised government Grants- 2024	Opening balance	Received during the year	Applied to acquired fixed assets	Utilised during the year	Total
Grant received from ECDC - 2024 Excess allocation	-	24,513,912	-	(1,193,524)	23,320,388
Grant received from ECDC - Auto ndustry support	4,360,182	54,439,130	(9,130,434)	(28,147,973)	21,520,905
	4,360,182	78,953,042	(9,130,434)	(29,341,497)	44,841,293
Deferred Government Grants -2025	Opening balance	Asset acquisitions	Asset disposals	Depreciation	Total
Movement in non-current assets	15,720,533	10,509,123	(25,811)	(1,437,932)	24,765,913
Deferred Government Grants -2024	Opening balance	Asset acquisitions	Asset disposals	Depreciation	Total
Movement in non-current assets	890,333	15,314,415	(10,108)	(474,107)	15,720,533
12. Trade and other payables					
Financial instruments:					
Trade payables				1,612,448	813,586
Staff savings				61,200	47,800
Other accrued expenses				298,681	292,314
Non-financial instruments:					
Accrued leave pay				1,722,369	1,255,622
Payroll accruals				61,792	23,179
VAT				-	1,184,206
				3,756,490	3,616,707

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
12. Trade and other payables (continued)		
Financial instrument and non-financial instrument components of trade and other payables		
At amortised cost	1,972,328	1,153,698
Non-financial instruments	1,784,161	2,463,007
	3,756,490	3,616,705

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

13. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Change to prior year estimate	Total
Performance bonus provision	2,589,911	3,612,814	(2,672,568)	82,666	3,612,823

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Performance bonus provision	1,810,821	2,382,884	(1,603,794)	2,589,911

This provision is a performance bonus provision that is based on the entity achieving at least 90% of its pre determined objectives and is payable on the verification of these objectives by external audit and approval of the Board. The amount is dependent on the staff assessments that need to be completed.

14. Other liability

The ECDC and AIDC-EC resolved to reprioritise a balance of R430 000 that was ringfenced for the KSD automotive precinct and held within the coffers of the AIDC-EC to organise an engineering skills summit in April 2025. The funds were utilised after year end.

15. Revenue

Revenue from contracts with customers

Rendering of services	2,186,020	2,466,774
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Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Revenue from contracts with customers

Rendering of services	2,186,020	2,466,774
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Timing of revenue recognition

Over time

Rendering of services	2,186,020	2,466,774
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AIDC Eastern Cape SOC Limited

(Registration number 2003/018741/30)

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
16. Project expenses			
Project expenses			
Travelling and accommodation		2,553,175	1,154,261
Other operating expenses		76,661	307,880
		2,629,836	1,462,141
17. Other operating income			
Bad debts recovered		-	16,963
Other income		77,677	36,231
Government grants utilised		66,202,103	50,567,058
		66,279,780	50,620,252
Included in government grant utilised is the current year is operational grant utilised R32 595 362 (2024:R21 944 978).			
18. Other operating gains (losses)			
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	(13,022)	4,369
19. Operating profit (loss)			
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		235,306	131,339
Remuneration, other than to employees			
Consulting and professional services		1,665,553	1,362,014
Employee costs			
Salaries, wages, bonuses and other benefits		38,259,284	28,095,789
Leases			
Short-term leases		161,970	390,864
Depreciation and amortisation			
Depreciation of property, plant and equipment		1,437,932	474,107
Depreciation of right-of-use assets		155,391	-
Amortisation of intangible assets		600,119	53,573
Total depreciation and amortisation		2,193,442	527,680
Movement in credit loss allowances			
Trade and other receivables		918,911	14,497
20. Investment income			
Interest income			
Investments in financial assets:			
Bank and other cash		4,003,965	2,283,069

AIDC Eastern Cape SOC Limited

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Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
21. Finance costs		
Lease liabilities	238,757	18,285
Interest paid to SARS	-	53,845
Other interest paid	-	787
Total finance costs	238,757	72,917
22. Taxation		
Major components of the tax (income) expense		
Current		
Local income tax - current period	-	153,546
Deferred		
Originating and reversing temporary differences	1,026,189	(287,000)
	1,026,189	(133,454)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	1,115,965	(489,905)
Tax at the applicable tax rate of 27% (2024: 27%)	-	(132,274)
Tax effect of adjustments on taxable income		
Non deductible expenditure	-	14,538
Deferred tax asset recognised in the current year	-	(15,718)
Deferred tax asset derecognised in the current year	1,026,189	-
	1,026,189	(133,454)
No provision was made for 2025 tax as the company was tax exempt at year end.		
23. Cash (used in)/generated from operations		
Profit before taxation	1,115,965	(489,905)
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	2,193,442	527,680
Losses (gains) on sale of assets and liabilities	13,022	(4,369)
Movements in provisions	3,785,480	2,383,884
Movement in leave provision	466,747	297,207
Movements in credit loss allowance	-	14,497
Increase in expected credit loss	918,911	(14,750)
Adjust for items which are presented separately:		
Interest income	(4,003,965)	(2,283,069)
Finance costs	238,757	72,917
Changes in working capital:		
(Increase) decrease in trade and other receivables	(942,942)	(709,995)
Increase (decrease) in employee benefits	(2,672,568)	(1,603,794)
Increase (decrease) in trade and other payables	(416,964)	1,054,829
Increase (decrease) in deferred income	(10,397,755)	55,311,311
	(9,701,870)	54,556,443

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
24. Tax paid		
Balance at beginning of the year	75,421	(384,087)
Current tax recognised in profit or loss	-	(153,546)
Balance at end of the year	(75,421)	(75,421)
	-	(613,054)

Notes to the Annual Financial Statements

25. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

Other liability	430,000	Interest paid	Capital repayment of lease liabilities	New leases	Total movements	Closing balance
Finance lease liabilities	110,154	238,711	(48,703)	3,107,826	3,297,834	3,407,988
	540,154	238,711	(48,703)	3,107,826	3,297,834	3,837,988
Total liabilities from financing activities	540,154	238,711	(48,703)	3,107,826	3,297,834	3,837,988

Reconciliation of liabilities arising from financing activities - 2024

Other liability	430,000	Opening balance	Interest paid	Capital repayment of lease liabilities	Total non-cash movements	Closing balance
Finance lease liabilities	140,475	140,475	18,285	(48,606)	(30,321)	110,154
	570,475	570,475	18,285	(48,606)	(30,321)	540,154
Total liabilities from financing activities		570,475	18,285	(48,606)	(30,321)	540,154

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Notes to the Annual Financial Statements

26. Related parties

Relationships

Holding company

Fellow subsidiaries

Eastern Cape Development Corporation ("ECDC")

- Centre for investment and Marketing Authority in the Eastern Cape (NPC)
- Cimvest SOC Limited
- Transdev SOC Limited
- Transkie Share Investment Company SOC limited

Related party balances

Loans to directors

Thabo Shenxane

54,900

-

Amounts included in other liabilities regarding related parties

Eastern Cape Development Corporation

430,000

430,000

Related party transactions

Government grants received from related parties

Eastern Cape Development Corporation

(64,175,000)

(121,763,000)

Notes to the Annual Financial Statements

27. Directors' and prescribed officer's emoluments

Executive

2025

Directors' emoluments	Basic salary	Bonuses and performance related payments	Expense allowances	Contributions paid under pension scheme	Total
Services as director or prescribed officer					
Thabo Shenxane (CEO)	2,951,731	415,555	57,942	212,873	3,638,101

2024

Directors' emoluments	Basic salary	Bonuses and performance related payments	Contributions paid under pension scheme	Total
Services as director or prescribed officer				
Thabo Shenxane (CEO)	2,802,765	244,329	197,309	3,244,403

Non-executive

2025

Directors' emoluments	Fees for services as director	Total
Services as director or prescribed officer		
Phumzile Zitumane (Chairperson)	512,365	512,365
Kamlesh Riga	188,850	188,850
Xolani Mpahlwa	280,599	280,599
Mthobi Tyamzashe	225,631	225,631
Ntombizine Madyibi	160,215	160,215
Nondumiso Ngonyama	108,541	108,541
	1,476,201	1,476,201

Notes to the Annual Financial Statements

27. Directors' and prescribed officer's emoluments (continued)

2024

Directors' emoluments	Fees for services as director	Total
Services as director or prescribed officer		
Phumzile Zitumane (Chairperson)	551,927	551,927
Kamlesh Riga	218,900	218,900
Xolani Mpahlwa	280,860	280,860
Mthobi Tyamzashe	78,087	78,087
Princess Mtila	96,875	96,875
Simthandile Gugwini - Peter	253,760	253,760
	1,480,409	1,480,409

Prescribed officers

2025

Key Management	Basic salary	Bonuses and performance related payments	Expense allowances	Contributions paid under pension scheme	Total
Services as director or prescribed officer					
Kevin Horn	1,197,347	100,804	101,660	87,383	1,487,194
Hoosain Mahomed	248,578	147,565	161,000	21,110	578,253
Rowan Govender	1,731,437	229,864	45,217	21,868	2,028,386
Riccardo Temmers	1,632,745	229,864	80,500	118,621	2,061,730
Khayaletu Njingolo	1,433,242	156,485	50,479	103,769	1,743,975
Bopang Khutsoane	1,257,333	-	90,012	89,981	1,437,326
	7,500,682	864,582	528,868	442,732	9,336,864

2024

Directors' emoluments	Basic salary	Bonuses and performance related payments	Expense allowances	Contributions paid under pension scheme	Total
Services as director or prescribed officer					
Kevin Horn	1,117,680	99,110	40,724	81,193	1,338,707
Hoosain Mahomed	1,467,646	130,143	36,488	105,951	1,740,228
Rowan Govender	1,682,485	135,150	52,409	20,325	1,890,369
Riccardo Temmers	1,519,986	135,150	85,081	109,783	1,850,000
Khayaletu Njingolo	1,046,375	70,125	30,349	75,374	1,222,223
	6,834,172	569,678	245,051	392,626	8,041,527

Notes to the Annual Financial Statements

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	586,282	586,282	586,282
Cash and cash equivalents	9	49,811,264	49,811,264	49,811,264
		50,397,546	50,397,546	50,397,546

2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	1,130,128	1,130,128	1,130,128
Cash and cash equivalents	9	67,195,527	67,195,527	67,195,527
		68,325,655	68,325,655	68,325,655

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	1,972,328	-	1,972,328
Finance lease liability	4	-	3,407,988	3,407,988
		1,972,328	3,407,988	5,380,316

2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	1,153,698	-	1,153,698
Finance lease liability	4	-	110,154	110,154
		1,153,698	110,154	1,263,852

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	1,527,693	(941,411)	586,282	1,152,628	(22,500)	1,130,128
Cash and cash equivalents	9	49,811,264	-	49,811,264	67,195,527	-	67,195,527
		51,338,957	(941,411)	50,397,546	68,348,155	(22,500)	68,325,655

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

	Less than 1 year	1 to 2 years	2 to 5 years	6 to 10 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	-	-	2,454,213	3,269,944	5,724,157	3,288,389
Current liabilities						
Trade and other payables	1,972,328	-	-	-	1,972,328	1,972,328
Lease liabilities	-	363,809	-	-	363,809	119,599
	1,972,328	-	2,454,213	3,269,944	8,060,294	5,380,316

2024

	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	-	-	61,451	61,451	61,451
Current liabilities					
Trade and other payables	12	1,153,698	-	1,153,698	1,153,698
Lease liabilities	-	48,703	-	48,703	48,703
		1,153,698	48,703	1,263,852	1,263,852

Notes to the Annual Financial Statements

Figures in Rand

2025**2024****29. Going concern**

The annual 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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

30. Irregular expenditure

The company incurred no irregular expenditure during the year under review (2024:R0)

Irregular expenditure relates to the awarding of a marketing and communications contract and lease agreement for offices outside the tender validity period.

The company is in the process of applying for condonation of all its outstanding irregular expenditure.

Irregular expenditure	2025	2024	2023	Total
Opening balance	1,537,404	1,537,404	1,268,340	4,343,148
Current year irregular expenditure	-	-	269,064	269,064
	1,537,404	1,537,404	1,537,404	4,612,212

31. Fruitless and wasteful expenditure

The AIDC-EC incurred no fruitless and wasteful expenditure for the year under review (2024: R0)

32. Comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation. Leasehold improvements relating to office lease have been reclassified to Property, Plant and Equipment in the current year.

Board related expenses have been reclassified to conform to the current period presentation. Board related expenses previously included in other operating expenses have been disclosed separately in the current period.

The effects of the reclassification are as follows:

Statement of Financial Position

Leasehold improvements	-	4,734,909
Right of use assets	-	(4,734,909)

Profit or Loss

Governing board related expenses	-	826,742
Travel -Local	-	(619,838)
Consulting and professional fees	-	(206,904)

33. Prior period adjustment

Adjustment was made to deferred income due to the incorrect recognition of the unconditional operational grant, this resulted in a decrease in deferred income and an increase in retained income.

The correction of the error(s) results in adjustments as follows:

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Figures in Rand	2025	2024
33. Prior period adjustment (continued)		
Statement of Financial Position		
Deferred income	-	13,407,139
Opening retained earnings	-	(13,407,139)

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Detailed Income Statement

Figures in Rand	Note(s)	2025	2024
Revenue			
External revenue		2,186,020	2,466,774
Project expenses			
Project expenses		(2,629,836)	(1,462,141)
Gross (loss) profit		(443,816)	1,004,633
Other operating income			
Bad debts recovered		-	16,963
Other income		77,677	36,231
Government grants		66,202,103	50,567,058
	17	66,279,780	50,620,252
Other operating gains (losses)			
Gains on disposal of assets		(13,022)	4,369
Movement in credit loss allowances	19	(918,911)	(14,497)
Expenses (Refer to page 47)		(67,553,274)	(54,314,814)
Operating (loss) profit	19	(2,649,243)	(2,700,057)
Investment income	20	4,003,965	2,283,069
Finance costs	21	(238,757)	(72,917)
Profit (loss) before taxation		1,115,965	(489,905)
Taxation	22	(1,026,189)	133,454
Profit (loss) for the year		89,776	(356,451)

The supplementary information presented does not form part of the annual financial statements and is unaudited

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Detailed Income Statement

Figures in Rand	Note(s)	2025	2024
Other operating expenses			
Advertising		(468,955)	(148,592)
Amortisation		(600,119)	(53,573)
Auditor's remuneration - external audit	19	(235,306)	(131,339)
Bank charges		(27,599)	(36,755)
Computer expenses		(855,818)	(575,837)
Consulting and professional fees - legal fees		(11,900)	(303,344)
Consulting and professional fees		(1,653,653)	(1,058,670)
Consumables		(15,597)	(29,604)
Depreciation		(1,593,323)	(474,107)
Employee costs		(38,259,284)	(28,095,789)
Entertainment		(14,535)	(85,305)
Conference fees		(13,171)	(19,133)
Board of directors and committee remuneration		(1,544,926)	(1,527,200)
Contractors		(15,044,473)	(16,057,863)
Governing board related expenses		(797,293)	(826,742)
Staff events		(93,316)	(78,993)
Insurance		(247,009)	(34,393)
Municipal expenses		(60,951)	(90,535)
Printing and stationery		(217,266)	(186,677)
Repairs and maintenance		(27,513)	-
Security		(6,792)	(7,148)
Short-term leases		(161,970)	(390,864)
Staff welfare		(57,501)	(62,963)
Subscriptions		(216,839)	(74,853)
Telephone and fax		(840,803)	(367,008)
Training		(628,606)	(397,365)
Travel - local		(1,830,062)	(1,033,748)
Travel - overseas		(2,028,694)	(2,166,414)
		(67,553,274)	(54,314,814)

The supplementary information presented does not form part of the annual financial statements and is unaudited



70 Prince Alfred Road, Nelson Mandela Bay Stadium, Level 5
Gqeberha, Eastern Cape, South Africa

www.aidcec.co.za | info@aidcec.co.za