

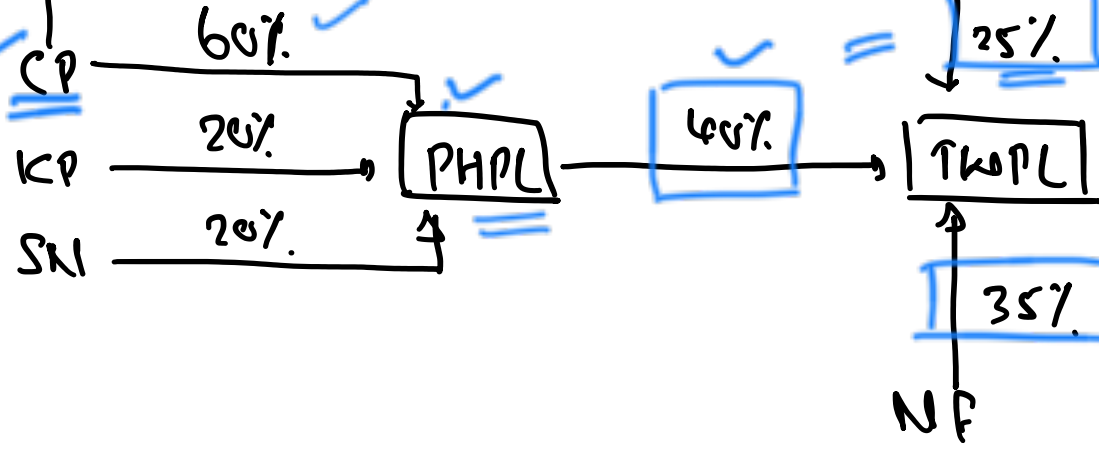
Q1 (a) R's'000

	1/1/15	31/3/16	31/3/17	31/3/18	31/3/19
Inv	13,000				
GLS - NO ADS					
GRP - ADS NO COST & TAKE NO P/L GR					
SLP/P	13,000				
GRP					+2,000
YR (GR)		13,000	9,500	4,825	
INVESTMENT		13,000			
P/L SHARE		(3,500)	(4,675)	(6,125)	
CARRYING AMT		9,500	4,825		
UNRECOGNISED LOSSES				(1,300)*	
AMOUNT IN P/L					3,700
					(500 - 1,300)

* IF INVESTOR HAD MADE A COMMITMENT / GUARANTEE THAT IT WILL PAY OFF ANY DEBT -> THEN UNP/0 THAT AMOUNT, INVESTMENT CAN BE NEGATIVE

Q3

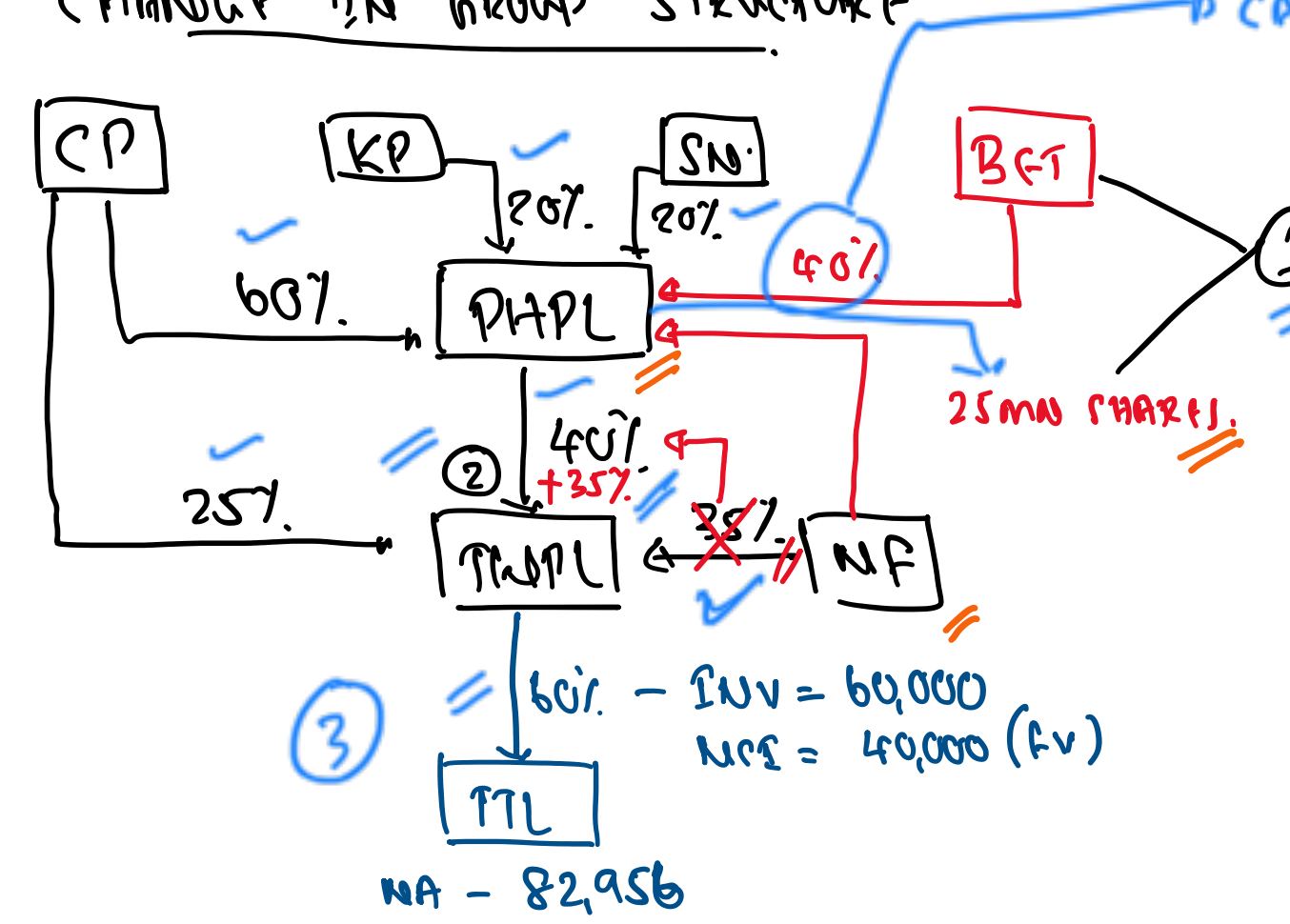
FROM PRE SEC'D



R's'000

- 1) SLH CHANGE IN PHPL + PHPL INCREASES STI REINSTATE IN TWPL BY BUYING NP SHARES
- 2) ACQⁿ OF TPL

CHANGE IN GROUP STRUCTURE



NEW SLH STRUCTURE OF PHPL

SLH	NO. OF SHARES	%
CP	60% x 30,000 = 18,000	18.95%
KP	20% x 20,000 = 6,000	6.32%
SN	20% x 20,000 = 6,000	6.32%
BEI - NEW	40,000	42.10%
NF - FOR TWPL SHARES	25,000	26.31%
TOTAL	95,000	100.00%

- CP loses control in PHPL
- BEI becomes the largest SLH
- NO SINGLE PARTY HAS CONTROL OVER PHPL

2) FURTHER ACQⁿ OF TWPL BY PHPL

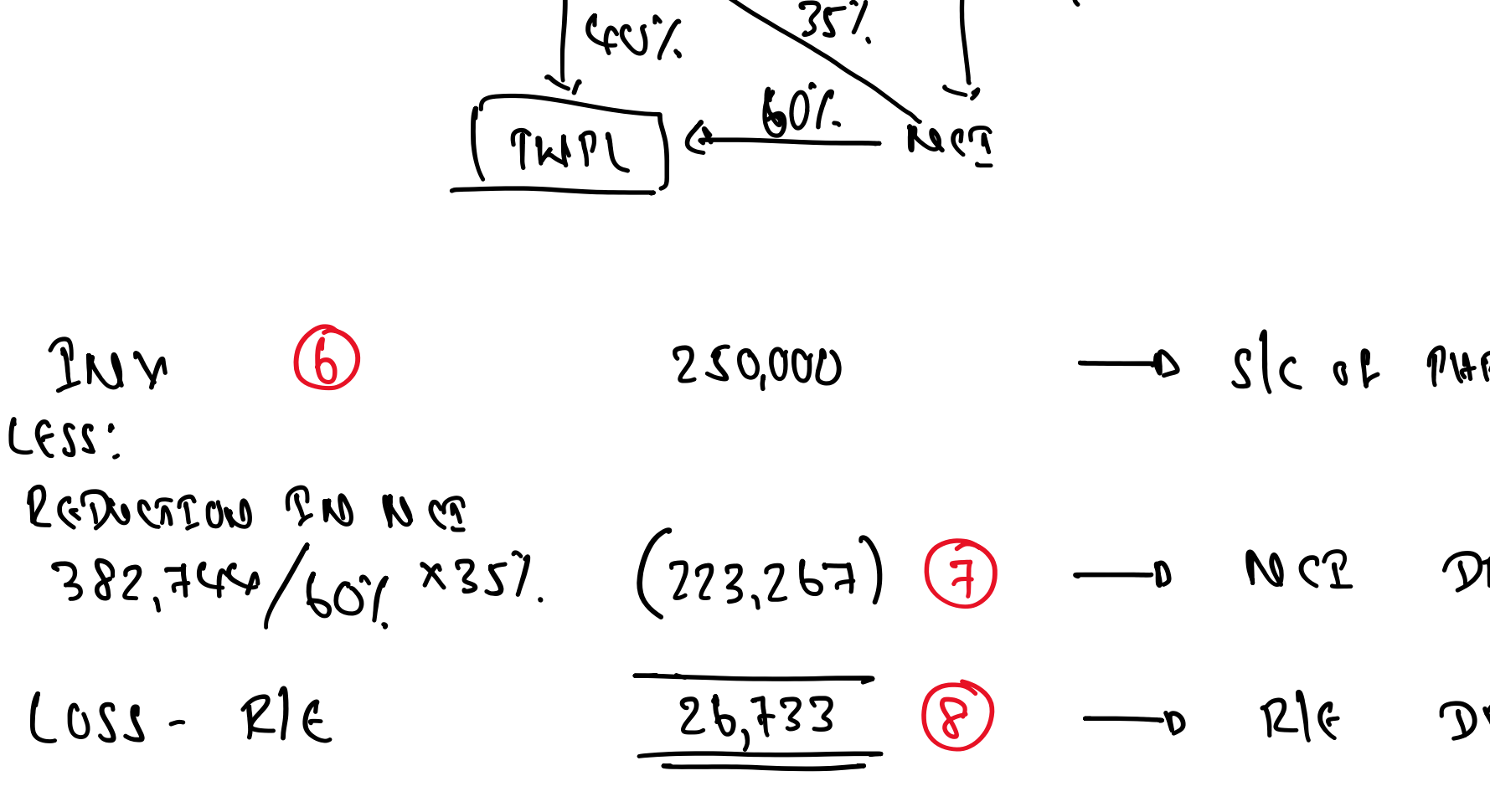
2015	31/3/18
PHPL 40% → TWPL	PHPL 25% → TWPL
INV 200,000	INV 250,000
NA 225,000	NA 150,000
GLS 225,000 x 60% = 135,000	GLS 150,000 x 60% = 90,000
NCS 195,000	NCS 200,304
R/E 225,000	R/E 674,907

	GLS-TWPL	NCS-TWPL	R/E	R/E	GLS-TPL	NCS-TPL
INV ①	200,000					
NCS ②	195,000	195,000				
NA ③	(225,000)					
GLS	70,000					
R/E ④		67,562	45,041			
R/E ⑤		120,182		80,122		
ACQ ⁿ OF NCS		382,744	(26,733)			
INV - 60,000 ⑥		(22,267)				
NCS - ⑦		(18,000)				
NA - ⑧						
GLS AND TPL					45,000	55,000
PHPL - 31/3/18					(22,956)	
	70,000	144,474*	131,160	80,122	17,044	55,000*

R/E = 287,603 - 175,000 = 112,603

R/E = 200,304 - 0 = 200,304

ACQⁿ OF NCS



3) ACQⁿ OF TPL

31/3/19	
PHPL 60% → TPL	NA - 82,956 ⑨
INV 60,000 ⑩	
NCS IN PV 40,000	
40,000 x 55% = 22,000 ⑪	
PHPL 75% (40 x 35%) → TWPL	
CO	C/A %
TWPL	75%
TPL	60% x 75% = 45%
	55%

ANSWER

TO: BOARD OF DIRECTORS OF PHPL

SUBJECT: TRANSACTIONS AND GROUP CHANGES.

1) INVESTMENT BY BEI & NF TO ME TO ACQUIRE 75% OF TWPL WITH THE ISSU OF 40M SHARES TO BEI & 25M SHARES TO NF, THE SLH OF PHPL WOULD CHANGE AS BEI & NF ARE A RESULT OF THE CHANGE IN THE CONTROLLED SLH AND NO SINGLE SLH WILL CONTROL PHPL. THE R.S. 400M RECEIVED FROM BEI WILL BE REDEEMED TO THE SLH & WILL IMPROVE THE LIQUIDITY OF PHPL. THE R.S. 250M SHARES ISSUED TO NF WILL INCREASE THE DIVIDEND IN TWPL.

THE INCREASE IN THE OWNERSHIP IN TWPL, WILL BE ACCOUNTED AS A FURTHER ACQUISITION BY PHPL ALREADY CONTROLS TWPL. THEREFORE THE DIFFERENCE BETWEEN THE INVESTMENT OF R.S. 250M AND THE REDUCTION IN NCS BY R.S. 222,267M AMOUNTING TO R.S. 26,733M WILL BE RECORDED AS A LOSS IN GROUP RETAINED EARNINGS.

2) ACQUISITION OF TPL

SINCE TPL ACQUIRES 60% OF TPL WE CAN REVERSE THAT OBTAIN CONTROL OVER TPL AND AS A RESULT TPL WILL BE A SUBSIDIARY OF PHPL GROUP. THE GOODWILL OF R.S. 17,044M WILL BE RECORDED AS AN ASSET ON THE GROUP S/P/L.

EXTRACT OF GROUP S/P/L INCLUDING ABOVE TRANS WOULD BE AS FOLLOWS.

ASSETS		R's'000
GLS		
GLS (70,000 + 17,044)		87,044
EQUITY		
S/C (300,000 + 400,000 + 250,000)		950,000
R/E		131,160
R/E		80,122
EQUITY ATTRIBUTABLE TO PARENT CO. SLH		1,161,282
NCS (144,474 + 55,000)		199,474
TOTAL EQUITY		1,360,756

IN PREPARING GROUP P/L ALL INTER COMPANY BALANCES WILL BE ELIMINATED.