

ZIMPLATS

Member of the Implats Group



ZIMPLATS HOLDINGS LIMITED

ARBN : 083 463 058

Directors' Report and Condensed Consolidated Interim Financial Statements

Half Year Ended 31 December 2017

ZIMPLATS HOLDINGS LIMITED
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FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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**ZIMPLATS HOLDINGS LIMITED
 HALF YEAR ENDED 31 DECEMBER 2017
 DIRECTORS' REPORT**

The Directors present the condensed consolidated interim financial statements of Zimplats Holdings Limited (the 'Company') and its subsidiaries (together the 'Group') for the half year ended 31 December 2017, as well as the review report for the period.

Directors

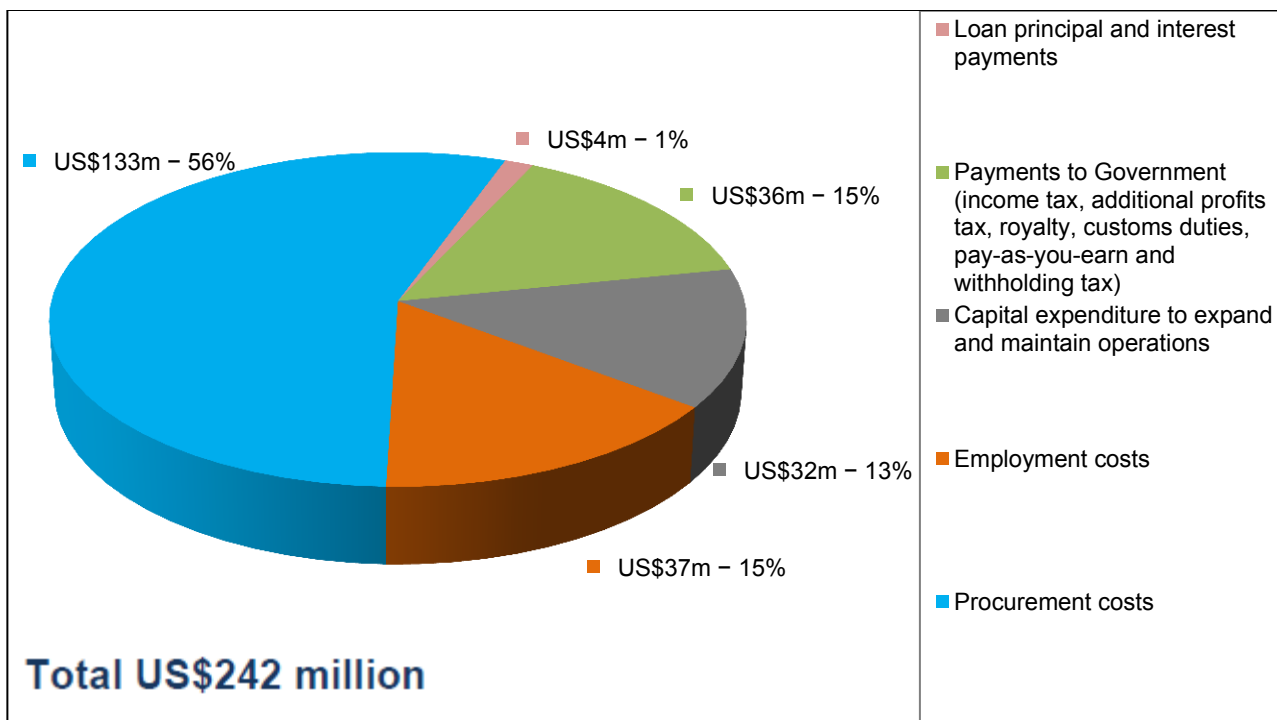
The directors of the Company during and since the end of the half year are set out below:

Dr Fholisani Sydney Mufamadi	Chairman-Non-executive
Alexander Mhembere	Chief Executive Officer
Stewart Magaso Mangoma	Chief Finance Officer
Brenda Berlin	Non-executive
Alec Muchadehama	Non-executive
Nicolaas Johannes Muller	Non-executive
Dr Dennis Servious Madenga Shoko	Non-executive
Zacharias Bernardus Swanepoel	Non-executive
Nyasha Puza Siyabora Zhou	Non-executive

Review of Performance

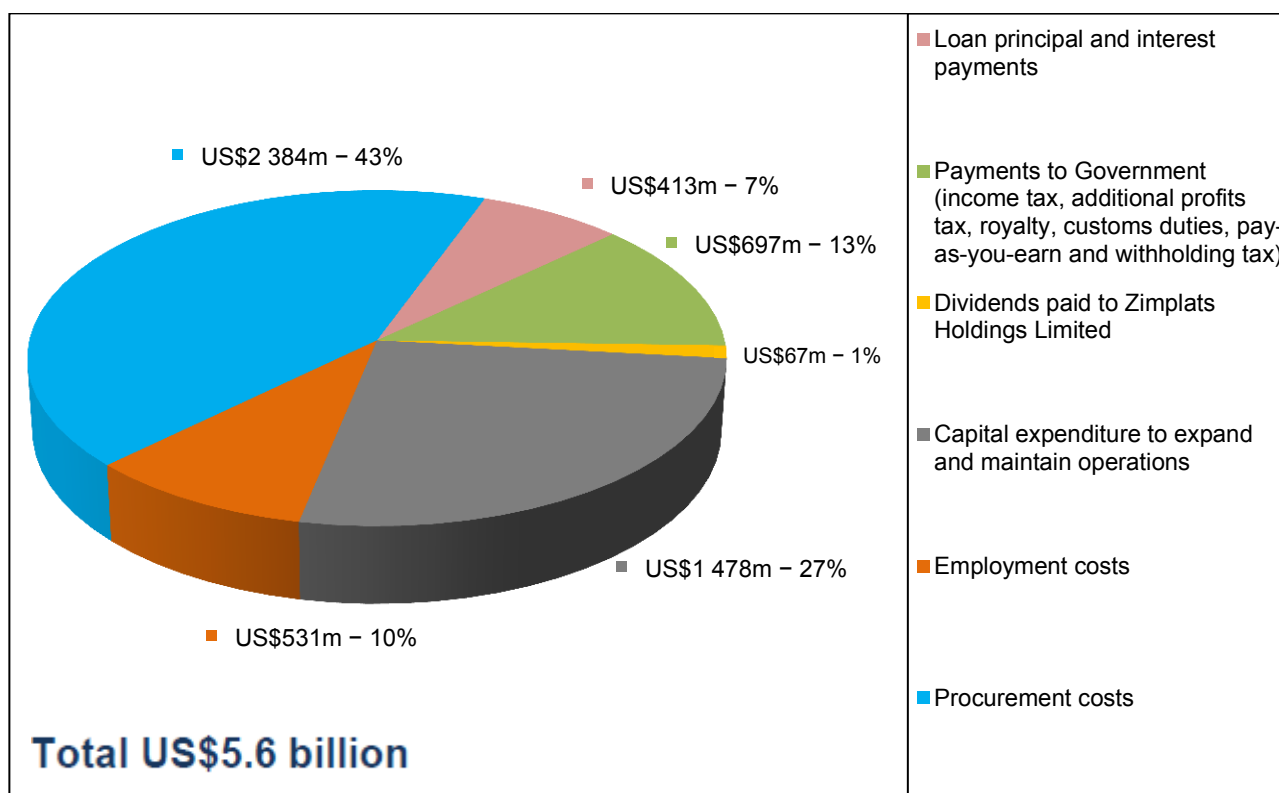
The Group's principal business is the production of platinum group metals and associated metals from its Mineral Resources and Ore Reserves on the Great Dyke in Zimbabwe. The Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary').

Zimbabwe Platinum Mines (Private) Limited cash utilisation (Half year ended 31 December 2017)



ZIMPLATS HOLDINGS LIMITED
HALF YEAR ENDED 31 DECEMBER 2017
DIRECTORS' REPORT (continued)

Zimbabwe Platinum Mines (Private) Limited cash utilisation (1 July 2001 to 31 December 2017)



Safety, Health and Environment

There were no fatalities reported during the half year increasing the number of fatality free shifts to 7.8 million as at 31 December 2017.

Two lost-time injuries were reported during the half year resulting in a lost-time injury frequency rate of 0.26. The Group did not record any fatalities or lost-time injuries in the comparative period.

The Group's employee wellness programmes have continued to be effective during the half year with turnout for voluntary counselling and testing increasing by 20% from the same period last year.

Rehabilitation of the closed open-pit mine progressed well with 179 020 bulk cubic meters moved to cover the voids.

The Group's water conservation programmes were effective in the half year with water recycled increasing to 35% from 34% recorded in the same period last year.

Operations

Tonnes mined during the half year increased by 1% to 3.49 million tonnes compared to the same period last year mainly due to the ramping up of production at Mupfuti and Bimha mines.

Tonnes milled increased by 1% to 3.33 million tonnes compared to the same period last year in line with improved ore supply highlighted above.

Four elements (platinum, palladium, rhodium and gold) (4E) mill head grade at 3.24g/t remained unchanged from the same period last year reflecting sustained grade control.

ZIMPLATS HOLDINGS LIMITED
HALF YEAR ENDED 31 DECEMBER 2017
DIRECTORS' REPORT (continued)

Platinum production for the half year marginally increased to 136 152 ounces from 135 824 ounces in the comparative period. 4E metal production for the half year increased to 275 224 ounces from 273 905 ounces due to higher mills throughput.

The table below shows the total metal production for the half year.

Metal	Half year ended 31 December 2017	Half year ended 31 December 2016	Variance	Year ended 30 June 2017
Platinum (oz)	136 152	135 824	-	281 069
Palladium (oz)	112 807	111 897	1%	232 914
Gold (oz)	14 514	14 018	4%	29 211
Rhodium (oz)	11 751	12 166	(3%)	25 440
Ruthenium (oz)	10 346	10 714	(3%)	22 265
Iridium (oz)	4 786	5 202	(8%)	10 729
Silver (oz)	19 392	23 238	(17%)	47 713
Nickel (t)	2 505	2 434	3%	5 118
Copper (t)	1 913	1 813	6%	3 869
Cobalt (t)	48	36	33%	67

Sales

Platinum sales volumes for the half year at 132 823 ounces were 1% lower than 133 937 ounces reported in the same period last year. The table below shows the metal sales volumes for the half year.

Metal	Half year ended 31 December 2017	Half year ended 31 December 2016	Variance	Year ended 30 June 2017
Platinum (oz)	132 823	133 937	(1%)	274 364
Palladium (oz)	110 500	110 930	-	227 885
Gold (oz)	14 495	13 920	4%	28 998
Rhodium (oz)	11 513	11 914	(3%)	24 644
Ruthenium (oz)	10 700	10 696	-	22 017
Iridium (oz)	4 954	5 177	(4%)	10 425
Silver (oz)	25 480	23 803	7%	49 888
Nickel (t)	2 533	2 368	7%	4 966
Copper (t)	1 947	1 772	10%	3 758
Cobalt (t)	44	35	25%	67

Metal Prices

Average prices for most of the metals, except platinum, gold and silver, improved compared to what was reported for the same period last year as shown in the table below.

Metal	Half year ended 31 December 2017 (Average)	Half year ended 31 December 2016 (Average)	Variance	Year ended 30 June 2017 (Average)
Platinum (US\$/oz)	936	1 015	(8%)	988
Palladium (US\$/oz)	947	680	39%	736
Gold (US\$/oz)	1 277	1 277	-	1 258
Rhodium (US\$/oz)	1 199	661	81%	779
Ruthenium (US\$/oz)	89	36	147%	41
Iridium (US\$/oz)	938	605	55%	700
Silver (US\$/oz)	17	18	(6%)	18
Nickel (US\$/t)	11 045	10 533	5%	10 147
Copper (US\$/t)	6 577	5 027	31%	5 387
Cobalt (US\$/lb)	30	12	150%	17

ZIMPLATS HOLDINGS LIMITED
HALF YEAR ENDED 31 DECEMBER 2017
DIRECTORS' REPORT (continued)

Financial

Half year revenue increased by 20% to US\$286.1 million compared to the same period last year driven by the general increase in average metal prices. The gross revenue per platinum ounce for the half year at US\$2 154 was 21% higher than the US\$1 775 reported during the same period last year.

Cost of sales at US\$184 million was 3% higher than the same period last year's US\$179 million mainly due to the higher labour and consumables costs partly offset by the decrease in depreciation arising from the conversion of Mupani Mine resources to reserves.

Resultantly, gross profit margin improved to 36% in the current half year compared to 25% in the prior period.

Administrative expenses for the half year ended 31 December 2017 at US\$23 million were 5% higher than US\$22 million reported during the same period last year.

The Group recognised an impairment loss of US\$2.2 million during the half year ended 31 December 2017 after new information emerged that a significant portion of a certain piece of land held by the Group is taken up by a freeway reservation.

Selling and distribution expenses for the half year at US\$5.4 million were 54% higher than same period last year mainly due to the 47% increase in sale of concentrates which attract higher transport charges.

Royalty and commission expense for the half year increased by 20% from US\$5.9 million reported in the same period last year to US\$7 million in line with the increase in sales revenue.

The half year ended 31 December 2017 benefited from export incentive of US\$5.6 million (2016: US\$6.6 million).

Cash operating cost per platinum ounce produced increased by 11% to US\$1 331 from US\$1 197 reported in the same period last year due to increase in selling expenses arising from the export of concentrates produced during the planned 46-day furnace reline shutdown, increase in labour costs and higher prices of some consumables mostly sourced from South Africa which were affected by the strengthening of the South African Rand against the United States Dollar.

Resultantly, profit before income tax for the period at US\$61.4 million was significantly higher than US\$37.2 million recorded in the same period last year. Income tax for the half year at US\$40.3 million (2016: US\$21 million) resulted in a profit after tax for the period of US\$21 million compared to US\$16.2 million attained in the same period last year.

At the end of the half year, the Group had bank borrowings of US\$85 million (30 June 2017: US\$109 million and 31 December 2016: US\$85 million) and a cash balance of US\$106.9 million (30 June 2017: US\$70.3 million and 31 December 2016: US\$52.6 million).

Capital Projects

The Group spent a total of US\$32.4 million on capital expenditure during the half year compared to US\$25.1 million spent during the same period last year.

The redevelopment of Bimha Mine remains on schedule to reach full production in April 2018. A total of US\$46.8 million had been spent on the project as at 31 December 2017 against an approved total project budget of US\$101 million.

The development of Mupani Mine (the replacement mine for Ngwarati and Rukodzi mines) remains on schedule, targeting ore contact by May 2020 and full production in August 2025. A total of US\$20.1 million had been spent on the project as at 31 December 2017 against an estimated total project cost of US\$264 million.

Indigenisation and Economic Empowerment

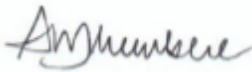
The Group continues to engage with the Government of Zimbabwe with regard to Zimbabwe Platinum Mines (Private) Limited's Indigenisation Implementation Plan.

Acquisition of Portion of Mining Lease Area

On 13 January 2017, the Government of Zimbabwe issued, through a Government Gazette Extraordinary, a preliminary notice in terms of which it gave fresh notice of its intention to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. The operating subsidiary lodged an objection to the proposed acquisition. Following the objection being lodged, on 24 May 2017, the Government served the operating subsidiary with an order of compulsory acquisition and on 26 June 2017 the Government filed a court application seeking confirmation of the acquisition. The operating subsidiary responded to the court application. The matter is pending in the courts but the operating subsidiary is also engaging the Government on the matter.

Outlook

The future of the Group remains bright despite the pressures from liquidity and foreign currency challenges in Zimbabwe and depressed commodity prices on the world market. The Group continues to focus on achieving production volumes, cash preservation and containing costs. The Group will continue to foster cordial working relationship with all its stakeholders.



A Mhembere
Chief Executive Officer
27 February 2018

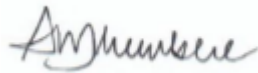
ZIMPLATS HOLDINGS LIMITED
HALF YEAR ENDED 31 DECEMBER 2017
APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the condensed consolidated interim financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These interim financial statements are prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue to be in operation for the foreseeable future.

The condensed consolidated interim financial statements, as set out on pages 8 to 20 have been approved by the Board of Directors and are signed on its behalf by:



A Mhembere
Chief Executive Officer
27 February 2017



S M Mangoma
Chief Finance Officer



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the shareholders of Zimplats Holdings Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Zimplats Holdings Limited and its subsidiaries (the "Group") as at 31 December 2017 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes, set out on pages 8 to 20. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

PricewaterhouseCoopers

**PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare**

27 February 2018

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T I Rwodzi – Senior Partner

The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.


ZIMPLATS HOLDINGS LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

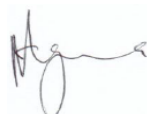
	Notes	31 December 2017 US\$ 000 (Reviewed)	30 June 2017 US\$ 000 (Audited)	31 December 2016 US\$ 000 (Reviewed)
ASSETS				
Non-current assets				
Property, plant and equipment	6	1 012 992	1 016 647	1 010 458
Trade and other receivables	10	2 524	2 457	1 842
		1 015 516	1 019 104	1 012 300
Current assets				
Inventories	7	60 645	54 036	54 191
Available-for-sale financial assets	8	-	-	13 286
Prepayments	9	65 957	97 690	37 270
Trade and other receivables	10	202 630	162 583	167 940
Cash and balances with banks	11	106 871	70 334	52 872
		436 103	384 643	325 559
Total assets		1 451 619	1 403 747	1 337 859
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	12	10 763	10 763	10 763
Share premium	12	89 166	89 166	89 166
Retained earnings		913 778	892 730	863 361
		1 013 707	992 659	963 290
LIABILITIES				
Non-current liabilities				
Borrowings	13	42 500	85 000	47 500
Share based compensation		431	1 795	1 918
Deferred income taxes		142 047	145 183	144 992
Environmental rehabilitation provision		28 633	27 832	22 258
		213 611	259 810	216 668
Current liabilities				
Trade and other payables	14	90 926	73 203	62 167
Current income tax liabilities		89 809	53 664	57 872
Borrowings	13	42 500	24 003	37 500
Share based compensation		1 066	408	362
		224 301	151 278	157 901
Total equity and liabilities		1 451 619	1 403 747	1 337 859

The notes on pages 12 to 20 form an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors and were signed on its behalf by:



A Mhembere
Chief Executive Officer



S Mangoma
Chief Finance Officer

27 February 2018

ZIMPLATS HOLDINGS LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Half year ended 31 December 2017 US\$ 000 (Reviewed)	Half year ended 31 December 2016 US\$ 000 (Reviewed)	Year ended 30 June 2017 US\$ 000 (Audited)
Revenue	15	286 149	237 688	512 549
Cost of sales		(183 964)	(179 041)	(367 065)
Gross profit		102 185	58 647	145 484
Administrative expenses	16	(22 992)	(22 015)	(46 274)
Selling and distribution expenses		(5 425)	(3 525)	(4 887)
Royalty and commission expense		(7 018)	(5 854)	(12 692)
Other operating expenses	17	(7 818)	(6 312)	(8 967)
Other operating income	18	5 930	20 211	36 646
Operating profit		64 862	41 152	109 310
Finance income	19	1 272	331	851
Finance costs	20	(4 774)	(4 332)	(8 848)
Profit before income tax		61 360	37 151	101 313
Income tax expense	21	(40 312)	(20 982)	(55 775)
Profit for the period		21 048	16 169	45 538
Other comprehensive income				
Items that will not be reclassified to profit or loss		-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-
Gain on re-measurement of available-for-sale financial asset	8	-	-	7 804
Reclassification to profit or loss	8	-	-	(7 804)
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive income for the period		21 048	16 169	45 538
Attributable to:				
Owners of Zimplats Holdings Limited		21 048	16 169	45 538
Non controlling interests		-	-	-
		21 048	16 169	45 538
Earnings per share attributable to owners of the parent during the period:				
Basic earnings per share (cents)	22	20	15	42
Diluted earnings per share (cents)	22	20	15	42

The notes on pages 12 to 20 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Share capital US\$ 000	Share premium US\$ 000	Retained earnings US\$ 000	Total US\$ 000
Balance as at 1 July 2017	10 763	89 166	892 730	992 659
Total comprehensive income for the year	-	-	21 048	21 048
Profit for the year	-	-	21 048	21 048
Other comprehensive income for the year	-	-	-	-
Balance as at 31 December 2017 (Reviewed)	10 763	89 166	913 778	1 013 707
Balance as at 1 July 2016	10 763	89 166	847 192	947 121
Total comprehensive income for the year	-	-	45 538	45 538
Profit for the year	-	-	45 538	45 538
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2017 (Audited)	10 763	89 166	892 730	992 659
Balance as at 1 July 2016	10 763	89 166	847 192	947 121
Total comprehensive income for the period	-	-	16 169	16 169
Profit for the period	-	-	16 169	16 169
Other comprehensive income for the period	-	-	-	-
Balance as at 31 December 2016 (Reviewed)	10 763	89 166	863 361	963 290

The notes on pages 12 to 20 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Half year ended 31 December 2017 US\$ 000 (Reviewed)	Half year ended 31 December 2016 US\$ 000 (Reviewed)	Year ended 30 June 2017 US\$ 000 (Audited)
Cash flows from operating activities				
Operating profit		64 862	41 152	109 310
Adjustments for:				
Depreciation	6	33 669	38 745	75 943
Provision for obsolete inventories	7	473	23	203
Impairment loss on property, plant and equipment	6, 17	2 241	-	-
Foreign exchange losses	17	1 166	372	936
Other receivables written-off	17	14	-	778
Reversal of impairment of a long term receivable	18	-	(12 996)	(12 996)
Gain on re-measurement of available-for-sale financial assets	18	-	-	(7 804)
(Gain)/loss on disposal of property, plant and equipment	17,18	(86)	(16)	6
Provision for share based compensation		236	490	412
Changes in operating assets and liabilities				
Increase in inventories		(7 083)	(6 793)	(6 818)
Increase in trade and other receivables		(40 128)	(35 072)	(31 108)
Decrease/(increase) in prepayments		31 733	22 218	(38 202)
Increase in trade and other payables	14	14 734	3 517	14 708
Net cash generated from operations				
		101 831	51 640	105 368
Finance costs paid	13	(3 640)	(3 546)	(7 194)
Share based compensation payments		(942)	(311)	(310)
Payments made for environmental rehabilitation		(333)	(198)	(780)
Income taxes and withholding tax paid		(5 480)	(1 462)	(40 985)
Net cash generated from operating activities				
		91 436	46 123	56 099
Cash flows from investing activities				
Purchase of property, plant and equipment	6	(32 383)	(25 125)	(63 321)
Proceeds from disposal of property, plant and equipment		214	171	249
Proceeds from disposal of treasury bills	8	-	-	20 800
Finance income		1 272	41	845
Net cash utilised in investing activities				
		(30 897)	(24 913)	(41 427)
Net increase in cash and cash equivalents				
		60 539	21 210	14 672
Cash and cash equivalents at the beginning of the period		46 334	31 665	31 665
Exchange losses on cash and cash equivalents		(2)	(3)	(3)
Cash and cash equivalents at the end of the period				
	11	106 871	52 872	46 334

The notes on pages 12 to 20 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1 GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a public limited company domiciled in Guernsey, Channel Islands and is listed on the Australian Stock Exchange (ASX). The condensed consolidated interim financial statements for the half year ended 31 December 2017 comprise the Company and its subsidiaries (together the 'Group').

The Group's principal business is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the half year ended 31 December 2017 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue in operation for the foreseeable future.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2017 which were prepared in accordance with International Financial Reporting Standards (IFRS) and any public announcements made by the Company during the interim period.

The condensed consolidated interim financial statements are expressed in United States Dollars (US\$). The condensed consolidated interim financial statements have been prepared under the historical cost convention except for:

- available-for-sale financial assets that are measured at fair value; and
- the liabilities for cash-settled share-based payment arrangements which are measured using a binomial option model.

3 ACCOUNTING POLICIES

3.1 The accounting policies adopted for the half year ended 31 December 2017 are consistent with those of the financial year ended 30 June 2017 and corresponding interim reporting period, except for the estimation of income taxes.

Taxes on income in the interim periods are accrued using the effective tax rate that would be applicable to expected total annual profit or loss. Additional profits tax in the interim periods is accrued based on the expected annual accumulated net cash positions.

3.2 A number of new or amended standards became applicable for the current reporting period, however, there are no new or amended standards or interpretations that would be expected to have a material impact on the Group.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 30 June 2017, with the exception of changes in estimates that are required in determining the provision for income taxes.

ZIMPLATS HOLDINGS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, fair value interest risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the Group's annual financial statements for the year ended 30 June 2017.

There have been no significant changes in risk management policies since the previous year end.

5.2 Fair value estimation

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities traded on active markets.
- **Level 2** - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-listed equity investments.

The Group had no financial assets or financial liabilities that were carried at fair value as at 31 December 2017 and 30 June 2017. The Group had treasury bills which were designated as available-for-sale financial assets that were carried at a fair value of US\$13 million at 31 December 2016 (note 8).

ZIMPLATS HOLDINGS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
6 PROPERTY, PLANT AND EQUIPMENT			
Opening net book amount	1 016 647	1 024 233	1 024 233
Additions	32 383	68 612	25 125
Disposals	(1 254)	(63 247)	(1 488)
Accumulated depreciation on disposals	1 126	62 992	1 333
Impairment loss	(2 241)	-	-
Depreciation charge	(33 669)	(75 943)	(38 745)
Closing net book amount	1 012 992	1 016 647	1 010 458
In the statement of cash flows, purchase of property, plant and equipment comprises:			
Additions	32 383	68 612	25 125
Environmental rehabilitation asset adjustment	-	(5 291)	-
	32 383	63 321	25 125

The Group recognised an impairment loss of US\$2.2 million during the half year ended 31 December 2017 after new information emerged that a significant portion of a certain piece of land held by the Group is taken up by a freeway reservation.

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
7 INVENTORIES			
Ore, concentrate and matte stocks	19 207	15 162	11 426
Consumables	46 284	43 247	46 958
	65 491	58 409	58 384
Less: provision for obsolete consumables	(4 846)	(4 373)	(4 193)
	60 645	54 036	54 191
The movement in the provision for obsolete consumables is as follows:			
At the beginning of the period	4 373	4 170	4 170
Charged to the income statement during the period	473	203	23
At the end of the period	4 846	4 373	4 193
8 AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Treasury bills			
Fair value of treasury bills received during the period	-	-	12 996
Accrued interest	-	-	290
	-	-	13 286

During the half year ended 31 December 2016, the Government of Zimbabwe issued to the Group's main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, treasury bills with a total nominal value of US\$34 million in settlement of the principal amount owed by the Reserve Bank of Zimbabwe to the operating subsidiary. The treasury bills were designated as available for sale financial assets and were initially recognised at a fair value of US\$13 million at a discount of 27.5% resulting in a reversal of impairment of US\$13 million being recognised in the income statement. The Group subsequently disposed of the treasury bills for a consideration of US\$20.8 million which was received during the year ended 30 June 2017 realising a gain on re-measurement of US\$7.8 million.

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
9 PREPAYMENTS			
Deposits on property, plant and equipment	49 953	51 936	15 281
Consumables and other operating expenditure	9 715	31 422	20 845
Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	5 094	12 023	-
Insurance premiums	1 195	2 309	1 144
	65 957	97 690	37 270

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	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
10 TRADE AND OTHER RECEIVABLES			
Trade receivables due from related parties (note 23c)	185 639	148 187	146 122
Value added tax receivable	13 300	10 813	15 040
Export incentive	477	1 547	4 387
Other receivables	5 738	4 493	4 233
	205 154	165 040	169 782
Current assets	202 630	162 583	167 940
Non - current assets	2 524	2 457	1 842
	205 154	165 040	169 782

Trade receivables comprise amounts due from Impala Refining Services Limited, a related party, for sales of metal products.

As all contractual terms and conditions have been complied with, trade receivables were fully performing as at 31 December 2017, 30 June 2017 and 31 December 2016.

The other classes within trade and other receivables do not contain impaired assets. Based on the credit history of these classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

The carrying amounts of the Group's trade and other receivables are all denominated in US\$.

The fair value of trade and other receivables approximate the carrying values due to their short term nature.

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
11 CASH AND BALANCES WITH BANKS			
Cash at bank	47 828	10 291	2 397
Cash on hand	33	22	31
Short term deposits	59 010	60 021	50 444
	106 871	70 334	52 872
The exposure of cash and balances with banks by country is as follows:			
Australia	21	24	16
Isle of Man	1 003	1 003	1 003
Jersey	60 028	60 754	50 951
Zimbabwe	45 819	8 553	902
	106 871	70 334	52 872
Cash and balances with banks are denominated in US\$ except the net exposures to foreign currency detailed below:			
Balances with banks (South African Rands - ZAR)	ZAR 000 1	ZAR 000 21	ZAR 000 43
Balances with banks (Australian Dollars - AUD)	AUD 000 27	AUD 000 31	AUD 000 23
Cash and cash equivalents include the following for the purposes of the statement of cash flows:			
Cash and balances with banks	106 871	70 334	52 872
Revolving facility (note 13)	-	(24 000)	-
Cash and cash equivalents	106 871	46 334	52 872

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	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
12 SHARE CAPITAL AND SHARE PREMIUM			
Authorised			
500 000 000 ordinary shares of US\$0.10 each	50 000	50 000	50 000
Issued and fully paid			
107 637 649 ordinary shares of US\$0.10 each	10 763	10 763	10 763
Share premium	89 166	89 166	89 166
	99 929	99 929	99 929

The unissued shares are under the control of the directors subject to limitations imposed by the Companies (Guernsey) Law 2008 and the Memorandum and Articles of Incorporation.

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
13 BORROWINGS			
Non-current			
Bank borrowings	42 500	85 000	47 500
Current			
Revolving facility	-	24 000	-
Bank borrowings	42 500	3	37 500
	42 500	24 003	37 500
Total borrowings	85 000	109 003	85 000
The movement in borrowings is as follows:			
At the beginning of the period	109 003	109 000	109 000
Interest accrued (note 20)	3 640	7 195	3 544
Movement in interest included in trade and other payables	-	2	2
Decrease in revolving facility	(24 003)	-	(24 000)
Repayments	(3 640)	(7 194)	(3 546)
Capital	-	-	-
Interest	(3 640)	(7 194)	(3 546)
At the end of the period	85 000	109 003	85 000

The fair values of non-current borrowings are based on discounted cash flows using the current borrowing rate. They are classified as level 3 in the fair value hierarchy (note 5.2) due to the use of unobservable inputs, including own credit risk.

The carrying amounts of the Group's borrowings are all denominated in US\$.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
On demand and up to 6 months	-	24 000	-
6 months to 1 year	42 500	3	37 500
1 year to 2 years	42 500	42 500	47 500
2 years to 5 years	-	42 500	-
	85 000	109 003	85 000

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FOR THE HALF YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

13 BORROWINGS (continued)

Bank borrowings

Bank borrowings comprise a loan facility for general business purposes from Standard Bank of South Africa Limited. The loan is guaranteed by Impala Platinum Holdings Limited.

The loan is a revolving facility of US\$85 million and bears interest at 3 months LIBOR plus 7% per annum. Capital repayments are required if the loan balance exceeds the available facility amount. The loan facility is repayable in two instalments of US\$42.5 million on 31 December 2018 and 31 December 2019.

The group had no undrawn bank borrowing facilities at 31 December 2017 and 30 June 2017 (US\$10 million at 31 December 2016)

Revolving facility

The Group had a US\$34 million revolving facility with Standard Bank of South Africa Limited which is used for general working capital purposes. The facility is for an indefinite period (no maturity date), however, it is subject to annual exchange control approval. The facility bears interest at 3 months LIBOR plus 2.6% per annum and it was secured by a cession of a portion of the Group's trade receivables.

At the reporting date, the undrawn balance on the revolving facility amounted to US\$34 million (30 June 2017: US\$10 million and 31 December 2016: US\$nil).

14 TRADE AND OTHER PAYABLES

	31 December 2017 US\$ 000	30 June 2017 US\$ 000	31 December 2016 US\$ 000
Trade payables	56 239	30 372	33 685
Leave pay	6 363	6 296	6 240
Royalty and Minerals Marketing Corporation of Zimbabwe commission payable	3 495	3 428	3 359
Amounts due to related parties (note 23d)	10 871	7 230	7 388
Accruals	12 247	24 384	7 068
Other payables	1 711	1 493	4 427
	90 926	73 203	62 167

Trade payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.

15 REVENUE

Movements in the statement of cash flows comprise:

	Half year ended 31 December 2017 US\$ 000	Half year ended 31 December 2016 US\$ 000	Year ended 30 June 2017 US\$ 000
Trade and other payables	14 734	3 517	14 708
Per the statement of financial position	17 723	3 884	14 920
Foreign currency adjustment	(1 166)	(369)	(933)
Withholding tax on dividend	(1 823)	-	-
Interest payable movement	-	2	2
Settlement discount	-	-	6
Tax penalties and interest	-	-	713

The Group derives its revenue from the following metal products:

	31 December 2017	30 June 2017	31 December 2016
Platinum	111 847	115 916	239 390
Palladium	102 899	70 590	161 232
Nickel	23 825	19 575	38 708
Rhodium	17 213	7 792	20 346
Gold	16 884	14 930	32 251
Copper	9 905	6 824	15 339
Iridium	2 053	1 617	4 024
Ruthenium	1 038	196	588
Cobalt	360	132	417
Silver	125	116	254
	286 149	237 688	512 549

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FOR THE HALF YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	Half year ended 31 December 2017 US\$ 000	Half year ended 31 December 2016 US\$ 000	Year ended 30 June 2017 US\$ 000
16 ADMINISTRATIVE EXPENSES			
Employee benefit expenses	12 285	11 660	25 549
Depreciation	279	364	1 300
Information, communication and technology	2 513	3 124	4 292
Insurance	2 255	2 395	4 800
Corporate social responsibility costs	1 245	703	2 235
Consulting fees	321	194	303
Non-executive directors' fees	181	208	396
Operating lease expenses	102	93	184
Independent auditor's remuneration	38	38	289
Other corporate costs	3 773	3 236	6 926
	22 992	22 015	46 274
17 OTHER OPERATING EXPENSES			
Foreign exchange losses	1 166	372	936
Tax penalties and interest charges	4 393	5 935	7 233
Impairment loss on property, plant and equipment (note 6)	2 241	-	-
Other receivables written off	14	-	778
Loss on disposal of property plant and equipment	-	-	6
Other expenses	4	5	14
	7 818	6 312	8 967
18 OTHER OPERATING INCOME			
Export incentive	5 616	6 588	13 973
Reversal of impairment of a long-term receivable (note 8)	-	12 996	12 996
Gain on re-measurement of available-for-sale financial assets (note 8)	-	-	7 804
Gain on disposal of property, plant and equipment	86	16	-
Insurance claim	-	559	559
Other income	228	52	1 314
	5 930	20 211	36 646

In May 2016, the Reserve Bank of Zimbabwe introduced an export incentive scheme to promote the export of goods and services in order for the Zimbabwean economy to benefit from the liquidity derived from exports. The Group is entitled to a 2.5% export incentive on the export proceeds received in Zimbabwe. The export incentive is accrued when the Group has received export proceeds in Zimbabwe.

	Half year ended 31 December 2017 US\$ 000	Half year ended 31 December 2016 US\$ 000	Year ended 30 June 2017 US\$ 000
19 FINANCE INCOME			
Finance income on ZETDC prepayment	875	-	729
Interest earned on short term bank deposits	397	35	114
Interest accrued on treasury bills (note 8)	-	290	-
Settlement discount awarded	-	-	6
Other	-	6	2
	1 272	331	851

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	Half year ended 31 December 2017 US\$ 000	Half year ended 31 December 2016 US\$ 000	Year ended 30 June 2017 US\$ 000
20 FINANCE COSTS			
Interest expense on bank borrowings (note 13)	3 640	3 544	7 195
Unwinding of the rehabilitation provision	1 134	788	1 653
	4 774	4 332	8 848
21 INCOME TAX EXPENSE			
<i>Corporate tax</i>	10 401	3 331	9 600
<i>Additional profits tax</i>	31 224	12 851	40 429
-Current period	31 224	12 851	40 301
-Adjustment in respect of prior periods	-	-	128
<i>Withholding tax</i>	1 823	357	1 112
Current income tax	43 448	16 539	51 141
Deferred income tax	(3 136)	4 443	4 634
Income tax expense	40 312	20 982	55 775
22 EARNINGS PER SHARE			
22 a) Basic earnings per share			
Basic earnings per ordinary share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.			
Profit attributable to equity holders of the Company (US\$000)	21 048	16 169	45 538
Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649
Basic earnings per share (cents)	20	15	42
22 b) Diluted earnings per share			
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (30 June 2017: nil and 31 December 2016: nil).			
Profit attributable to equity holders of the Company (US\$000)	21 048	16 169	45 538
Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649
Diluted earnings per share (cents)	20	15	42

23 RELATED PARTIES

The Company is controlled by Impala Platinum B.V. which owns 87% of the ordinary shares of Zimplats Holdings Limited. The remaining 13% is widely held. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum B.V.

	Half year ended 31 December 2017 US\$ 000	Half year ended 31 December 2016 US\$ 000	Year ended 30 June 2017 US\$ 000
23.1 Related party transactions and balances			
a) Revenue			
Sales of metal products to			
Impala Refining Services Limited (note 15)	286 149	237 688	512 549
The Group's only customer is Impala Refining Services Limited, which is a wholly owned subsidiary of Impala Platinum Holdings Limited.			

ZIMPLATS HOLDINGS LIMITED
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FOR THE HALF YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	Half year ended 31 December 2017 US\$ 000	Half year ended 31 December 2016 US\$ 000	Year ended 30 June 2017 US\$ 000
23 RELATED PARTIES (continued)			
b) Support Services			
Support services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited	3 641	2 797	2 639
Support services provided to the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, mainly relate to information, communication and technology systems.			
c) Amounts due from related parties			
Impala Refining Services Limited (note 10)	185 639	146 122	148 187
The amounts due from Impala Refining Services Limited are due three to five months after the date of sale and bear no interest.			
d) Amounts due to related parties			
Impala Platinum Limited (note 14)	10 871	7 388	7 230
The amounts due to Impala Platinum Limited bear no interest and have no fixed repayment terms.			
24 CAPITAL COMMITMENTS			
Capital expenditure contracted for at the end of the reporting period but not yet incurred	69 078	60 450	34 910

The capital commitments will be financed from internal resources and borrowings as referred to in note 13.
The capital commitments will be incurred in the next 12 months from the reporting date.

25 CONTINGENCIES

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the High Court of Zimbabwe in relation to various historical tax and customs duties matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases.

A service provider filed an application at the High Court seeking an order that an alleged agreement between the Group and the service provider should be implemented, or, alternatively, that the Group should pay damages to the amount of US\$4 million. The matter was heard in the High Court and, following an application by the Group, the High Court granted an order dismissing the service provider's claim. The service provider has lodged an appeal with the Supreme Court against the High Court judgement.

While recognising the inherent difficulty of predicting the outcome of legal proceedings, the directors believe, based upon current knowledge and after consulting with legal counsel, that the legal proceedings currently pending against it should not have a material adverse effect on the financial position of the Group.

26 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the statement of financial position date that have a bearing on the understanding of these financial statements.