



m Cubed

m Cubed Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 1998/014568/06
Share code: MCU
ISIN: ZAE000033353
("m Cubed" or "the Company" or "the group")

CONDENSED AUDITED GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012 AND NOTICE OF ANNUAL GENERAL MEETING

Shareholders are hereby advised that the Annual Report of m Cubed for the year ended 29 February 2012 will be posted to shareholders on or before 30 June 2012. This report contains the condensed audited group financial statements for the year ended 29 February 2012.

Part A: Condensed audited financial statements

1. Condensed group statement of financial position

	Audited Group 2012 R'000	Audited Group 2011 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	599	-
Financial assets at fair value through profit and loss	23,708	11,000
Deferred tax	778	-
	25,085	11,000
Current assets		
Other financial assets	30,552	-
Loans and receivables	7,244	10,172
Current taxation	856	3,091
Cash and cash equivalents	12,696	57,907
	51,348	71,170
Total assets	76,433	82,170
EQUITY		
Equity attributable to the owners of the company		
Ordinary shares	7,385	7,385
Share premium	87,668	87,668
Accumulated loss	(21,342)	(28,751)
Total equity	73,711	66,302
LIABILITIES		
Non Current liability		
Deferred tax	857	-
	857	-
Current liabilities		
Provisions	283	8,809
Trade and other payables	1,566	7,039
Current taxation	16	20
	1,865	15,868
Total liabilities	2,722	15,868
Total equity and liabilities	76,433	82,170

2. Condensed group statement of comprehensive income

	Audited Group 2012 R'000	Audited Group 2011 R'000
Investment income	13,443	11,813
Other income	9,873	2,780
Total Income	23,316	14,593
Operating expenses	(12,671)	(17,634)
Impairment of loans	(2,450)	-
Total Expenses	(15,121)	(17,634)
Profit/(Loss) of operations	8,195	(3,041)
Interest expense	(60)	-
Profit/(Loss) before tax	8,135	(3,041)
Income tax expense	(727)	(2,732)
Profit/(Loss) for the year	7,408	(5,773)
Other comprehensive loss		
Currency translation differences	-	(2,353)
Total comprehensive profit/(loss) for the year, net of tax	7,408	(8,126)
Profit/(Loss) for the year attributable to: Equity holders of the company	7,408	(5,773)
Total comprehensive profit/(loss) for the year attributable to: Equity holders of the company	7,408	(8,126)
Number of shares in issue ('000)	738 537	738 537
Diluted number of shares in issue ('000)	738 537	738 537
Headline and diluted headline earnings/(loss) per share (cents)	1.00	(0.8)
Earnings and diluted earnings/(loss) per share (cents)	1.00	(0.8)
Net asset value per share (cents)	9.98	9.0
Net tangible asset value per share (cents)	9.98	9.0

3. Condensed group statement of changes in equity

	Share capital R'000	Share premium R'000	Foreign currency translation reserve R'000	Accumulated (losses) R'000	Total R'000
Balance at 1 March 2011	7,385	87,668	-	(28,750)	66,303
Total comprehensive income for the year	-	-	-	7,408	7,408
Balance at 29 February 2012	7,385	87,668	-	(21,342)	73,711

	Share capital R'000	Share premium R'000	Foreign currency translation reserve R'000	Accumulated (losses) R'000	Total R'000
Balance at 1 March 2010	7,385	227,990	2,353	(22,977)	214,751
Total comprehensive income for the year	-	-	(2,353)	(5,773)	(8,126)
Dividend paid	-	(140,322)	-	-	(140,322)
Balance at 28 February 2011	7,385	87,668	-	(28,750)	66,303

4. Condensed group cash flow statement

	Audited Group 2012 R'000	Audited Group 2011 R'000
Cash flows from operating activities		
Payments to shareholders	-	(140,322)
Other movements	(8,008)	102,208
Net cash from operating activities	(8,008)	(38,114)
Cash flows from investing activities		
Increase in financial assets	(36,542)	(12,708)
Other movements	(661)	-
Net cash from investing activities	(37,203)	(12,708)
Net decrease in cash and cash equivalents	(45,211)	(50,822)
Cash and cash equivalents at the beginning of the year	57,907	108,729
Cash and cash equivalents at the end of the year	12,696	57,907

5. Segmental results

Consistent to prior year, no segmental information is provided as the group only had one segment that traded and the board believes that there is no additional information to be disclosed.

6. Reconciliation of headline earnings/ (loss)

	Audited Group 2012 R'000	Audited Group 2011 R'000
Basic earnings/(loss)	7,408	(5,773)
Profit on disposable of fixed assets	18	
Headline earnings/(loss) attributable to shareholders	7,426	(5,773)

Part B: Notes and directors` comments

1. Basis of preparation

The condensed group financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting and is based on the audited financial statements of the Group for the year ended 29 February 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the AC 500 series of interpretations, the Listings Requirements of the JSE Limited and the Companies Act of South Africa. The condensed financial statements have been audited by the Group's independent auditor, PKF (Cpt) Inc., whose report is available for inspection at the registered office of the Company. The auditors PKF (Cpt) Inc. have issued an unqualified audit opinion with a report on other regulatory matters that details non-compliance with certain JSE Listing requirements. m Cubed has entered into certain category 1 transactions without receiving prior shareholder approval, however irrevocable support has been obtained from the majority of shareholders for all the proposed transactions as announced on SENS dated 21 December 2011 and 26 April 2012 and are subject to JSE approval.

The audited group financial results for the year ended 29 February 2012 have been prepared in accordance with the group accounting policies and are consistent with those applied in the previous financial year. The group annual financial statements were prepared by GW Geyer, CAP Chartered Accountants.

2. Composition of management

Quinton George has been appointed as the CEO, James Fitzpatrick as an Executive Director and Stephen Black as the Financial Director. The board is pleased with the progress they have made in driving the vision of building m Cubed into a reputable investment holding company.

3. Nature of business, review of operations and prospects

The JSE has formally informed the Company that it is deemed to be a cash shell as defined in terms of the Listings Requirements and that the company had until the 31 December 2011 to make an announcement relating to the acquisition of viable assets that satisfy the conditions for listing as set out in section 4 of the Listings Requirements. The company duly released an announcement on 21 December 2011 together with a supplementary announcement on 26 April 2012 recording the acquisition of viable assets, subject to shareholder ratification and/or approval and advising shareholders of the company's intention to make application to the JSE for the lifting of the suspension of the company's listing, the unbundling of the shares in its wholly owned subsidiary, Trinity Investments Holdings Limited ("TIH") to shareholders, followed by the mirror listing of TIH and the delisting of mCubed. The lifting of the suspension, subsequent mirror listing of TIH and delisting of mCubed as aforesaid is subject to JSE approval. Full details of the aforementioned corporate transactions shall be disclosed in a detailed circular to shareholders.

Contingent liabilities, legal cases and provisions.

At year-end, after consulting with our legal advisors, it was considered appropriate to reverse substantially all legal provisions. These reversals are included in other income.

The reason for this is that the outstanding matters with the regulator, various disputes and legal cases in the group have mostly been resolved. The notable exception to this is m Cubed Specialised Lending which has outstanding balances with an offshore trust, pending a SARS legal dispute. All outstanding matters are dealt with in the annual report.

Financial assets

m Cubed increased its holdings in Convergenet Holdings Limited ("Convergenet") during the year from 6.0% to 10.3%. Details of this were announced on SENS dated 21 December 2011 and 26 April 2012.

The remaining financial assets consist of secured loans and refundable deposits made by m Cubed during the year. The repayment terms range from six to twelve months from year end and interest range from money market rates to prime plus 5%.

Based on valuations performed on the loans, the directors decided to pass an impairment expense adjustment of R2 450 000.

All outstanding matters are dealt with in the annual report.

4. Corporate governance

The board of directors of m Cubed continue to subscribe to the values of good corporate governance as set out in the King Report on Governance for South Africa 2009 ("King III") apart from the instances which will be set out in the annual report. They believe the departure in these areas are not an indication of a culture of non-compliance, but have determined that the cost involved doesn't justify complying with all the requirements in a company that is considered a cash shell. Detailed explanations regarding non-compliance of King III will be provided in the annual report.

5. Events subsequent to year-end

Subsequent to year-end the following events have occurred:

The Toico (Proprietary) Limited loan of R6 696 000 has gone into default and the company has decided to take possession of the security of R7 000 000.

The Zilvermijnbosch Estate Holdings (Proprietary) Limited loan of R11 130 000 is currently in default & a possible settlement is being negotiated, with an option to extend therepayment date. The security on this loan is in the process of also being re-negotiated. At year-end the directors re-valued the securities to determine the recoverability of the loan.

m Cubed Holdings Limited has entered into a share sale agreement to acquire 87 Yellow Star shares, equal to 34.66% of the issued share capital of Yellow Star (Proprietary) Limited. Yellow Star is a private investment holding company and its largest investment is an interest in Convergenet. This acquisition will bring m Cubed's effective interest in Convergenet to 19.81%. Details of the acquisition were announced on SENS dated 26 April 2012.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of m Cubed will be held at Block F, The Terraces, Steenberg Office Park, Tokai, Cape Town on Tuesday 21 August 2012 at 11h00, to transact the business as stated in the notice of the Annual General Meeting, which is included as part of the Annual Report that will be distributed to shareholders on or before 30 June 2012. The date on which shareholders must be recorded as such in the share register to be eligible to vote at the Annual General Meeting will be Friday, 10 August 2012 with the last day to trade being Thursday, 2 August 2012.

Cape Town

31 May 2012

Registered office:

Afrasia House, Block F
The Terraces
1 Silverwood close
Steenberg
Tokai

Business address

Afrasia House, Block F
The Terraces
1 Silverwood close
Steenberg
Tokai

Postal address

Afrasia House, Block F
The Terraces
1 Silverwood close
Steenberg
Tokai

Directors

AM Louw* (Chairman), W Roux*, Q George (CEO), SJ Black (FD), J Fitzpatrick, S Swana*, J Ramsey*
*Non-executive

Bankers

The Standard Bank of South Africa Limited

Auditors

PKF (Cpt) Inc.

Secretary

RGF Turner

Company registration number

1998/014568/06

JSE sponsor

PSG Capital
(Proprietary) Limited



PSG CAPITAL