THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", which commences on page 2.
2. If you are in any doubt as to what action to take, you should consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your AEEI Shares, please forward this Circular, the attached application for electronic participation at the General Meeting *(white)* and the attached form of proxy (*grey*) to the purchaser to whom, or the broker, CSDP or other agent through whom, the disposal was effected.

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1996/006093/06)
Share code: AEE, ISIN: ZAE000195731
("**AEEI**" or "**the Company**")

CIRCULAR TO SHAREHOLDERS

relating to the proposed issuing by the Company's subsidiary, PFF, of the Issue Shares in conjunction with the anticipated Listing of PFF on the JSE main board, such Share Issue constituting a category 1 disposal by the Company in terms of the JSE Listings Requirements;

and incorporating:

- the Notice of General Meeting of AEEI Shareholders;
- an application for electronic participation at the General Meeting (*white*); and
- a form of proxy in respect of the General Meeting (*grey*) for use by Certificated Shareholders and Dematerialised Shareholders with "own-name" registration only.

PSG CAPITAL	CDH CLIFFE DEKKER HOFMEYR	Grant Thornton	AEEI Corporate Finance
Sponsor and transaction advisor	**Attorneys**	**Independent Reporting Accountant**	**Corporate advisory**

Date of issue: 22 December 2016

Copies of this Circular are available in English only and may, from 22 December 2016 until the date of the General Meeting (both days inclusive), be obtained during normal business hours from the registered office of AEEI, the offices of PSG Capital and the Transfer Secretaries at their respective addresses set out in the *Corporate Information* section of this Circular. A copy of this Circular will also be available on the Company's website (www.aeei.co.za).

CORPORATE INFORMATION

Directors
Prof Vukile Charles Mehana (Chairman) *#
Khalid Abdulla (Chief executive officer)
Chantelle Ah Sing (Chief financial officer)
Cherie Felicity Hendricks (Corporate affairs and sustainability director)
Salim Young (Deputy chairman) *#
Johannes Mihe Gaomab *#
Aziza Begum Amod *
Zenariah Barends *#
Takudzwa Tanyaradzwa Hove *#

* non-executive
# independent

Interim company secretary
Cherie Felicity Hendricks

Registered address of AEEI and PFF
Quay 7, Breakwater Boulevard, East Pier
Victoria and Alfred Waterfront
Cape Town, 8001
(PO Box 181, Cape Town, 8000)

Place of incorporation: South Africa

Transfer secretaries
Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Auditor and Independent Reporting Accountant
Grant Thornton Cape Incorporated
(Registration number 2010/016246/07)
123 Hertzog Blvd
Cape Town, 8001
(PO Box 2275, Cape Town, 8000)

Sponsor and transaction advisor
PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at:

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

Attorneys
Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Corporate advisory
AEEI Corporate Finance Proprietary Limited
(Registration number 2015/402199/07)
Quay 7, East Pier
V&A Waterfront
Cape Town, 8000
(PO Box 181, Cape Town)

CONTENTS

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply to this section headed "*Action required by Shareholders*".

This Circular is important and requires your immediate attention. The action you need to take, is set out below. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately. If you have disposed of all of your AEEI Shares, this Circular should be handed to the purchaser to whom, or the CSDP, broker or other agent through whom, the disposal was effected.

A General Meeting of AEEI Shareholders will be held at AEEI's head office, at Premier Fishing, Quay 7, Breakwater Boulevard, East Pier, Victoria & Alfred Waterfront, Cape Town at 10:00 on Tuesday, 24 January 2017, at which General Meeting AEEI Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

1. DEMATERIALISED SHAREHOLDERS WITHOUT "OWN-NAME" REGISTRATION

1.1 **Voting at the General Meeting**

1.1.1 If you do not wish to, or are unable to, attend the General Meeting and you have not been contacted by your CSDP or broker, it is advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or broker in terms of the custody agreement between you and your CSDP or broker.

1.1.2 If your CSDP or broker does not obtain voting instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement between you and your CSDP or broker.

1.1.3 You must <u>not</u> complete the attached form of proxy (*grey*).

1.2 **Attendance and representation at the General Meeting**

1.2.1 In accordance with the custody agreement between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:

1.2.1.1 attend, speak and vote at the General Meeting; or

1.2.1.2 send a proxy to represent you at the General Meeting.

1.2.2 Your CSDP or broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. CERTIFICATED SHAREHOLDERS OR DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION

You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy (*grey)* in accordance with its instructions and returning it to the Transfer Secretaries at 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by them no later than 10:00 on Friday, 20 January 2017.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply to this section.

	Date
Record date to determine which Shareholders are eligible to receive notice of the General Meeting	Thursday, 15 December 2016
Circular incorporating Notice of General Meeting, application for electronic participation at the General Meeting and form of proxy, posted to AEEI Shareholders	Thursday, 22 December 2016
Distribution of the Circular and notice convening the General Meeting announced on SENS on	Thursday, 22 December 2016
Distribution of the Circular and notice convening the General Meeting announced in the press on	Friday, 23 December 2016
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 10 January 2017
Record date to be eligible to vote at the General Meeting	Friday, 13 January 2017
Last day to lodge forms of proxy in respect of the General Meeting at 10:00 on	Friday, 20 January 2017
General Meeting of AEEI Shareholders held at 10:00 on	Tuesday, 24 January 2017
Results of the General Meeting released on SENS on	Tuesday, 24 January 2017
Publication of PFF pre-listing statement anticipated to occur on or about	Thursday, 2 February 2017
Listing of PFF on the main board of the JSE anticipated to occur during (subject to JSE approval)	February 2017
Share Issue by PFF to occur on	Listing Date

Notes:

1. The above dates and times are subject to change. Any material changes will be released on SENS.
2. All times quoted in this Circular are local times in South Africa.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such forms of proxy.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"AEEI" or "the Company"	African Equity Empowerment Investments Limited (registration number 1996/006093/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"AEEI Group" or "Group"	collectively, AEEI and its subsidiaries;
"AEEI Shareholders" or "Shareholders"	registered holders of AEEI Shares;
"AEEI Shares" or "Shares"	"B" class ordinary shares with no par value in the share capital of AEEI;
"cents"	South African cents, in the official currency of South Africa;
"Certificated"	in relation to a Share of a company, such share as evidenced by a Document of Title;
"Certificated Shareholder"	a Shareholder who holds Certificated Shares;
"Circular"	this circular to Shareholders, dated 22 December 2016, together with the annexures hereto, and including the Notice of General Meeting, the application for electronic participation at the General Meeting (*white*) and the form of proxy (*grey*) in relation to the General Meeting;
"Cliffe Dekker Hofmeyr"	Cliffe Dekker Hofmeyr Incorporated (registration number 2008/018923/21), a personal liability company duly incorporated in South Africa;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Conditions Precedent"	the conditions precedent to the Share Issue, as set out in paragraph 5 of this Circular;
"CSDP"	a Central Securities Depository Participant, as defined in the Financial Markets Act;
"Dematerialise" or "Dematerialised" or "Dematerialisation"	the process by which Certificated shares are converted into an electronic format as Dematerialised shares and recorded in a company's uncertificated securities register administered by a CSDP;
"Dematerialised Shareholder"	a Shareholder who holds Dematerialised Shares;
"Dematerialised Shares"	Shares that have been Dematerialised;
"Directors" or "Board"	the directors of AEEI as at the Last Practicable Date, whose names are set out in the *Corporate Information* section of the Circular;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question acceptable to the Directors;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"General Meeting"	the general meeting of AEEI Shareholders to be held at 10:00 on 24 January 2017 at AEEI's head office, at Premier Fishing, Quay 7, Breakwater Boulevard, East Pier, Victoria & Alfred Waterfront, Cape Town, to consider and, if deemed fit, approve the resolutions set out in the Notice of General Meeting;
"Independent Reporting Accountant"	Grant Thornton Cape Incorporated (registration number 2010/016246/07), particulars of which appear in the *Corporate Information* section of the Circular;
"Issue Price"	the price per share at which the Issue Shares are to be issued in terms of the Share Issue, which is anticipated to amount to approximately R5.00 per Issue Share, but which shall not be less than R4.00;
"Issue Shares"	up to a maximum of 127 400 000 ordinary shares to be issued by PFF at the Issue Price, in terms of the Share Issue and in conjunction with the Listing, such Issue Shares representing, following their issue, up to 49% of the issued share capital of PFF;
"JSE"	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;

"JSE Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"Kilomax"	Kilomax Investments Proprietary Limited (registration number 2008/023018/07), a private company incorporated under the laws of South Africa, being a Major Subsidiary of AEEI;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being 5 December 2016;
"Listing"	subject to the approval of the JSE, the listing of the entire issued ordinary share capital of PFF on the JSE main board, which listing is expected to occur during or about February 2017, with the Listing being subject to the approval by AEEI Shareholders of the Share Issue at the General Meeting;
"Listing Date"	the date on which the Listing occurs, to be approved by the JSE, it being anticipated that the Listing will occur during February 2017;
"Major Subsidiary"	a major subsidiary, as defined in the JSE Listings Requirements, meaning a subsidiary that represents 25% or more of total assets or revenue of the consolidated Group, comprising, as at the date of this Circular, Premier Fishing and Kilomax;
"Notice of General Meeting"	the notice of the General Meeting of Shareholders forming part of this Circular;
"PFF"	Sekunjalo Industrial Holdings Proprietary Limited (registration number 1998/018598/07), a private company incorporated under the laws of South Africa, which is in the process of being converted to a public company and of changing its name to "Premier Food and Fishing Limited". PFF is, as at the date of this Circular, a wholly-owned subsidiary of the Company and will, following the Listing, be listed on the JSE main board with at least 51% of its issued share capital continuing to be held by the Company. PFF will be converted from a private company to a public company prior to the Listing;
"Premier Fishing"	Premier Fishing SA Proprietary Limited (registration number 1952/002671/07), a private company incorporated under the laws of South Africa, being a subsidiary of PFF and having AEEI as its ultimate holding company;
"PSG Capital" or "Sponsor"	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa, particulars of which appear in the *Corporate Information* section of the Circular;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Register"	the register of Certificated Shareholders maintained by the Transfer Secretaries on behalf of the Company and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Companies Act;
"SENS"	the Stock Exchange News Service of the JSE;
"Share Issue"	the issue by PFF of the Issue Shares at the Issue Price, as referred to in paragraph 4 of the Circular, such issue to occur on the Listing Date;
"South Africa"	the Republic of South Africa;
"Strate"	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE; and
"Transfer Secretaries" or "Link Market Services"	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated under the laws of South Africa, particulars of which appear in the *Corporate Information* section of the Circular.

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1996/006093/06)
Share code: AEE, ISIN: ZAE000195731
(“**AEEI**” or “**the Company**”)

Directors
Prof Vukile Charles Mehana (Chairman) *#
Khalid Abdulla (Chief executive officer)
Chantelle Ah Sing (Chief financial officer)
Cherie Felicity Hendricks (Corporate affairs and sustainability director)
Salim Young (Deputy chairman) *#
Johannes Mihe Gaomab *#
Aziza Begum Amod *
Zenariah Barends *#
Takudzwa Tanyaradzwa Hove *#

* non-executive
# independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 AEEI is a majority black-owned and black-controlled investment holding company based in South Africa.

1.2 AEEI wishes to list its fishing assets and holdings on the JSE main board, via its subsidiary PFF.

1.3 As a condition to the Listing and in order to provide PFF with additional capital to fund its further expansion, it is proposed that PFF will, on the Listing Date, issue the Issue Shares to eligible investors by way of a private placement. AEEI’s shareholding in PFF will, as a result of the Share Issue, reduce from 100% to not less than 51%, with PFF remaining a subsidiary of AEEI. The Listing is subject to the approval of the JSE.

1.4 The Share Issue by PFF will constitute a category 1 disposal by AEEI in terms of the JSE Listings Requirements and, accordingly, requires the approval of AEEI Shareholders.

1.5 The purpose of this Circular is to:

1.5.1 provide Shareholders with information regarding the Share Issue and the manner in which it will be implemented, so as to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of General Meeting enclosed with this Circular; and

1.5.2 convene a General Meeting of Shareholders in order to consider and, if deemed fit, approve the Share Issue.

2. RATIONALE

The Share Issue and Listing will provide PFF with access to capital in order to grow its business, both organically and by way of future acquisitions, to the benefit of AEEI and its other shareholders. In addition, the Listing will allow PFF to use listed scrip to fund future acquisitions. Following the Listing, PFF’s employees and members of communities in which it operates, as well as the general public will be able to acquire an equity stake in PFF, so as to share in its potential success in future. PFF shareholders will, following the Listing, hold a liquid, tradeable asset within a regulated environment, with a market-determined share price.

3. BACKGROUND

3.1 A diagram setting out the current structure of PFF, appears at **Annexure 5** of the Circular.

3.2 PFF and its subsidiaries form a vertically integrated food and fishing group which specializes in the harvesting, processing and marketing of fish and fish-related products, as well as general food products. It employs more than 1 000 permanent and seasonal staff and its business includes factories, processing facilities and fishing vessels operating in three provinces. Its products range from rock lobster to octopus, squid, abalone, pilchards, hake, general food products and environmentally friendly agri-biotechnology products.

3.3 Premier Fishing has various processing facilities and factories from Port Nolloth to Saldanha Bay, Hout Bay, Cape Town, Gansbaai as well as Humansdorp. Premier Fishing’s processing vessels comply with European Union (EU) regulatory standards and operate in the fishing grounds between Port Alfred and Plettenberg Bay. Premier Fishing focuses its attention on the sustainability of marine life and is a member of the South African Fishing Ethically (SAFE) association and is Food and Drug Administration (FDA) and Hazard Analyses & Critical Control Points (HACCP) certified.

3.4 Premier Fishing's aquaculture business, Marine Growers, is involved in abalone farming and sells its abalone locally and internationally through the "Atlantic Abalone" brand. It produces more than 120 tons of cultured abalone per annum.

3.5 Premier Fishing also assists small quota holders with the marketing of their fish.

4. SHARE ISSUE

4.1 As a condition to the Listing and in order to provide PFF with additional capital to fund its further expansion, it is proposed that PFF will, on the Listing Date, issue the Issue Shares to eligible investors for the Issue Price. AEEI's shareholding in PFF will, as a result of the Share Issue, reduce from 100% to not less than 51%, with PFF remaining a subsidiary of AEEI.

4.2 The Share Issue will be subject to the fulfilment (or, where applicable, waiver) of the Conditions Precedent.

4.3 The Issue Shares are to be issued through a private placement. No shares are to be issued to related persons, as defined under the JSE Listings Requirements.

4.4 In aggregate, Issue Shares constituting at least 20% of PFF's issued share capital (post Share Issue) are to be issued to public shareholders, to ensure that PFF complies with the JSE's spread requirements for main board listed companies. It is intended that the remaining Issue Shares be issued to institutional and other eligible investors.

4.5 As the Share Issue may impact on the effective black shareholding in Premier Fishing, the Department of Agriculture, Forestry and Fisheries will, to the extent required, be approached to obtain their approval for the potential change in the effective black shareholding of Premier Fishing as indicated in its initial application for fishing rights and/or quotas.

5. CONDITIONS PRECEDENT

5.1 The Share Issue is subject to the following Conditions Precedent:

5.1.1 that the Share Issue be approved by AEEI Shareholders in accordance with the requirements of the JSE Listings Requirements;

5.1.2 that all board and shareholder approvals required in respect of the Share Issue, be obtained from the directors of PFF and from the Company, as PFF's sole shareholder;

5.1.3 that any regulatory approvals (which may be required) have been obtained; and

5.1.4 that the JSE approves the Listing of PFF on the JSE main board.

6. FINANCIAL INFORMATION

6.1 Historical financial information

The audited consolidated financial statements of PFF for the last three financial years ended 31 August 2014, 31 August 2015 and 31 August 2016 appear at **Annexure 1**, while the Independent Reporting Accountant's report thereon appears at **Annexure 2**.

6.2 *Pro forma* financial effects

The purpose of the table below is to illustrate the *pro forma* financial effects of the Share Issue, should it occur at an Issue Price of R5.00 per Issue Share, and such *pro forma* financial effects, as set out below, are the responsibility of the Directors. The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of AEEI has been prepared and in terms of AEEI's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present AEEI's financial position, changes in equity, results of operations or cash flows post the implementation of the Share Issue.

These *pro forma* financial effects as set out below should be read in conjunction with the *pro forma* statement of financial position and statement of comprehensive income as set out in **Annexure 3**, under the heading ***"Pro forma A – Share Issue at an Issue Price of R5.00 per Issue Share"***, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 3**.

The Independent Reporting Accountants' report on the *pro forma* financial information appears in **Annexure 4** to this Circular.

Pro forma financial effects, should the Share Issue occur at an Issue Price of R5.00 per Issue Share

	Audited 31 Aug 2016 – Before Share Issue cents	*Pro forma* adjustment – Share Issue cents	*Pro forma* financial information after Share Issue cents	% Change
Earnings per Share	44.09	(5.58)	38.51	(12.66)
Headline earnings per Share	43.13	(5.58)	37.55	(12.94)
Net asset value per Share	186.52	43.07	229.59	23.09
Tangible net asset value per Share	102.51	43.07	145.58	42.02

Notes: Shareholders are referred to the notes and assumptions to the above *pro forma* information, as detailed under the heading *"Pro Forma A – Share Issue at an Issue Price of R5.00 per Issue Share"* in **Annexure 3** to this Circular.

In addition, in order to assist Shareholders in assessing the Share Issue, AEEI has also included, in **Annexure 3** under the heading ***"Pro Forma B – Share Issue at an Issue Price of R4.00 per Issue Share"***, the *pro forma* statement of financial position and statement of comprehensive income, should the Share Issue occur at the minimum Issue Price of R4.00 per Issue Share, instead of an Issue Price of R5.00 per Issue Share.

7. DIRECTORS

7.1 Directors' service contracts

Permanent employment agreements are in place with the executive Directors and include standard termination and other provisions for contracts of this nature. No restraint of trade payments have been paid or are payable to any Directors.

7.2 Directors' remuneration and benefits

There will be no variation in the remuneration or benefits receivable by any of the Directors (including proposed remuneration or benefits of any Director) as a consequence of the Share Issue. However, the introduction, in conjunction with the Listing, by PFF of a JSE Listings Requirements compliant share incentive scheme for directors and senior management is currently being considered. It is currently envisaged that, should such an incentive scheme be introduced, it would be limited to 1% of PFF's issued share capital.

7.3 Directors' interests

7.3.1 As at the Last Practicable Date, the following Directors (including persons who resigned as Directors within the last 18 months) or associates of such Directors held a beneficial or non-beneficial interest, whether directly or indirectly, in AEEI Shares:

Director	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total %
K Abdulla	1 575 316	–	–	10 024 390	2.36
CR Ah Sing	350 000	–	–	–	0.07
CF Hendricks	265 000	–	–	–	0.05
Prof VC Mehana	250 000	–	–	–	0.05
Z Barends	1 000	–	–	–	0.00
Total	**2 441 316**	**–**	**–**	**10 024 390**	**2.53**

7.3.2 There has been no change in the interests held by Directors, as set out in the table at paragraph 7.3.1 above, between the end of the Company's previous financial year ended 31 August 2016 and the Last Practical Date.

7.3.3 Save for being a Shareholder of AEEI, no Director of AEEI and no director of any of its subsidiaries, (including a director who has resigned during the last 18 months) has or had any material beneficial interest, directly or indirectly, in any transactions that were effected by AEEI:

7.3.3.1 during the current or immediately preceding financial year; or

7.3.3.2 in any previous financial year which remains in any respect outstanding or unperformed.

8. OTHER RELATED MATTERS

8.1 Prospects

8.1.1 The AEEI Group continues to build a solid platform for further organic growth and has positioned itself well to increase its investments through further acquisitions within all the divisions. Management remains focused on the implementation of the Group's Vision 2020 strategic plan and the Group is well on track to achieving its growth goals by the 2020 financial year, which include:

8.1.1.1 doubling revenue;

8.1.1.2 substantially increasing operating profit;

8.1.1.3 significantly increasing operational cash flow;

8.1.1.4 significantly increasing net asset value;

8.1.1.5 the separate listing of the IT and food and fishing businesses after achieving R500 million revenue or R80 million profit targets; and

8.1.1.6 creating employment and opportunities for employee growth.

8.1.2 The Group will continue its strategic focus to grow the value of its core operational investments and improve the value-add on its strategic investments.

8.1.3 PFF is well positioned for growth over the next three years to grow and enhance shareholder value and to raise capital to invest into the future of the business. PFF is committed to further improving operating efficiencies and profitability. Its trusted brands and high-quality products and services have been developed over many years and remain sought after by its customers.

8.2 Material changes

There have been no material changes in the financial or trading position of the AEEI Group, including PFF, since publication of its annual financial results for the year ended 31 August 2016.

8.3 Material contracts

8.3.1 Neither AEEI, nor PFF or any other Major Subsidiary has entered into any material contracts (being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of business) (i) within a period of two years prior to the date of the Circular; or (ii) at any time, where such agreements contain an obligation or settlement that is material to AEEI or its subsidiaries at the date of the Circular.

8.3.2 There have been no acquisitions of material assets by PFF or any of its subsidiaries during the three years prior to the date of this Circular.

8.4 **Material borrowings**

Details of material borrowings of PFF and its subsidiaries, are disclosed in **Annexure 7** to the Circular. The Share Issue will not result in any change in the material borrowings of the AEEI Group.

8.5 **Major Shareholders**

8.5.1 The table below lists those persons, other than Directors, who are, as far as the Company is aware, beneficially interested, as at the Last Practicable Date, directly or indirectly, in 5% or more of the AEEI Shares in issue.

Name of Shareholder	Number of Shares held	% of Shares in issue
Sekunjalo Investment Holdings Proprietary Limited	300 152 582	61.09%
Miramare Investments Proprietary Limited	54 691 406	11.13%
Total	**354 843 988**	**72.22%**

8.5.2 There has been no change in controlling Shareholder(s) or trading objects of AEEI and its Major Subsidiaries in the last five years prior to the Last Practicable Date.

9. GENERAL MEETING AND IRREVOCABLE UNDERTAKINGS

9.1 The General Meeting of AEEI Shareholders will be held at AEEI's head office, at Premier Fishing, Quay 7, Breakwater Boulevard, East Pier, Victoria & Alfred Waterfront, Cape Town at 10:00 on Tuesday, 24 January 2017, at which General Meeting AEEI Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

9.2 As at the Last Practicable Date, the AEEI Shareholders listed in the table at paragraph 8.5.1 above have provided irrevocable undertakings to vote all Shares held by them (as reflected in that table) in favour of the Share Issue at the General Meeting.

10. WORKING CAPITAL STATEMENT

The Directors are of the opinion that the working capital available to the AEEI Group is sufficient for the AEEI Group's present working capital requirements and will, post-implementation of the Share Issue, be adequate for at least 12 months from the date of issue of this Circular.

11. LITIGATION STATEMENT

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Company is aware, which may have or have over the previous 12 months had a material effect on the financial position of the AEEI Group, including PFF.

12. EXPENSES

The estimated costs of the Share Issue and the Listing, including preparing and distributing this Circular, holding the General Meeting and implementing the Share Issue, including the fees payable to professional advisors, are approximately R14 709 357, excluding VAT, and include the following:

Expenses	R
Sponsor and transaction advisor – PSG Capital	1 500 000
Placement fees – PSG Capital	6 000 000
Placement fees – AEEI Corporate Finance	5 000 000
Independent Reporting Accountant – Grant Thornton	200 000
Legal costs – Cliffe Dekker Hofmeyr	850 000
DAFF application	100 000
JSE documentation fees	159 000
JSE listing fees (listing of Issue Shares)	225 357
Printing and postage costs	250 000
Transfer secretaries – Link Market Services	100 000
Announcements and publication	125 000
Contingency	200 000
Estimated total	**14 709 357**

13. DIRECTORS' RECOMMENDATION

13.1 The Directors have considered the terms and conditions of the Share Issue and are of the opinion that the Share Issue is in the interest of Shareholders.

13.2 The Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as detailed in the Notice of General Meeting.

13.3 The Directors, in their personal capacities, intend to vote the Shares held by them in favour of the resolutions to be proposed at the General Meeting.

14. ADVISORS

The parties referred to in the *Corporate Information* section of this Circular have consented in writing to act in the capacities stated and to their names being stated in the Circular and, in the case of the Independent Reporting Accountants, have consented to the inclusion of their reports, and to the references to their reports, in the form and context in which they appear, and have not withdrawn their consents prior to the publication of the Circular.

15. CONFLICTS

As indicated in this Circular, PSG Capital fulfils the functions of sponsor and transaction advisor to the Company. It is PSG Capital's opinion that the performance of these functions do not represent a conflict of interest for PSG Capital, impair PSG Capital's independence from the Company or impair PSG Capital's objectivity in its professional dealings with the Company or in relation to the matters contemplated in this Circular.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in the *Corporate Information* section of this Circular, collectively and individually accept full responsibility for the accuracy of the information furnished relating to the AEEI Group and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by law and the JSE Listings Requirements.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the Company's registered office and at the offices of the Company's sponsor, PSG Capital, the details of which appear in the *Corporate Information* section of this Circular, from 22 December 2016 until the date on which the General Meeting is held (both days inclusive):

17.1 the memoranda of incorporation of AEEI and its Major Subsidiaries;

17.2 the audited annual financial statements of AEEI for the three financial years ended 31 August 2014, 31 August 2015 and 31 August 2016;

17.3 the audited consolidated financial statements of PFF for the three financial years ended 31 August 2014, 31 August 2015 and 31 August 2016, as reproduced at **Annexure 1** to this Circular;

17.4 the following reports by the Independent Reporting Accountants:

17.4.1 Independent Reporting Accountants' report on the historical financial information of PFF, as reproduced at **Annexure 2** of this Circular;

17.4.2 Independent Reporting Accountants' report on the *pro forma* financial information of AEEI, as reproduced at **Annexure 4** of this Circular;

17.5 all consent letters referred to in paragraph 14 of this Circular;

17.6 employment agreements with executive Directors;

17.7 copies of the irrevocable undertakings received from AEEI Shareholders, as listed in paragraph 9.2 of this Circular; and

17.8 a copy of this Circular, including all annexures hereto.

SIGNED AT CAPE TOWN ON 20 DECEMBER 2016 ON BEHALF OF ALL THE DIRECTORS OF AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS

K ABDULLA
Chief Executive Officer

HISTORICAL FINANCIAL INFORMATION OF PFF

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF SEKUNJALO INDUSTRIAL HOLDINGS PROPRIETARY LIMITED (IN THE PROCESS OF CHANGING ITS NAME TO PREMIER FOOD AND FISHING LIMITED) AND ITS SUBSIDIARIES FOR THE YEARS ENDED 31 AUGUST 2014, 31 AUGUST 2015 AND 31 AUGUST 2016

INTRODUCTION

The historical financial information of Sekunjalo Industrial Holdings Proprietary Limited and its subsidiaries set out below has been extracted from the audited annual financial statements of Sekunjalo Industrial Holdings Proprietary Limited and its subsidiaries for the years ended 31 August 2014, 31 August 2015 and 31 August 2016. The annual financial statements were audited by Grant Thornton Cape Inc. and reported on without qualification.

The historical financial information of Sekunjalo Industrial Holdings Proprietary Limited and its subsidiaries is the responsibility of the Directors of Sekunjalo Industrial Holdings Proprietary Limited and its subsidiaries.

The historical financial information of Sekunjalo Industrial Holdings Proprietary Limited and its subsidiaries ("the SIH group") for the years ended 31 August 2014, 31 August 2015 and 31 August 2016 were authorised for issue on 19 October 2016 by the Board of Directors.

COMMENTARY

1. Nature of business

Sekunjalo Industrial Holdings Proprietary Limited is an investment entity incorporated in South Africa with interests in the fishing industry. The company does not trade, and all of its activities are undertaken through its principal subsidiaries. The group operates in South Africa and is engaged in commercial fishing and distribution of marine resources. The group's principal operations are catching and processing of pelagic (pilchards and anchovy), west coast rock lobster, south coast rock lobster, squid and hake. The group is also engaged in abalone farming and the production of organic liquid fertiliser.

2. Financial results

The operating results and the state of affairs of the group are fully set out in the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes thereto.

3. Dividends

The dividends already declared and paid to shareholders during the year are as reflected in the attached consolidated statement of changes in equity.

4. Events after the reporting period

The directors are not aware of any material facts or circumstances occurring between the statement of financial position date and the date of this report that would require adjustments to the financial statements.

5. Directors

The directors in office at the date of this report are as follows:
Name
K Abdulla
AB Amod
CF Hendricks

6. Secretary

The company secretary is CF Hendricks of:

Postal address	PO Box 181 V&A Waterfront Cape Town 8000
Business address	Quay 7 East Pier V&A Waterfront Cape Town 8001

7. Holding company

The group's holding company is African Equity Empowerment Investments Limited which holds 100% (2015: 100%) of the group's equity. African Equity Empowerment Investments Limited is listed on the JSE Limited.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of the SIH group occurred, and no material fact or circumstance has occurred between the end of the latest financial year of the SIH group and the date of this Pre-listing Statement, in so far as not already dealt with in the historical financial information outlined in this **Annexure 1**. The historical financial information was audited by Grant Thornton Cape Inc. and should be read in conjunction with their Independent Reporting Accountants Report set out in **Annexure 2**.

Consolidated Statement of Financial Position as at 31 August 2016

	Notes	2016 R'000	2015 R'000	2014 R'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	124 596	129 243	120 651
Goodwill	4	18 165	18 165	18 165
Intangible assets	5	41	242	486
Loans to group companies	8	78 396	60 417	35 534
Deferred tax	9	64	4 817	2 748
		221 262	**212 884**	**177 584**
Current Assets				
Inventories	10	42 379	26 491	19 742
Other financial assets	11	1 065	1 107	604
Current tax receivable		154	154	154
Trade and other receivables	12	48 270	47 983	35 324
Biological assets	13	48 169	46 162	36 014
Cash and cash equivalents	14	23 516	4 302	14 495
		163 553	**126 199**	**106 333**
Total Assets		**384 815**	**339 083**	**283 917**
EQUITY AND LIABILITIES				
Equity				
Share capital	15	–	–	–
Reserves		8 014	8 014	8 014
Retained earnings		217 467	189 360	153 120
		225 481	**197 374**	**161 134**
Liabilities				
Non-Current Liabilities				
Other financial liabilities	16	10 764	3 356	4 750
Operating lease liability		2 064	2 192	1 686
Post-employment medical costs	17	1 153	1 328	1 372
Deferred tax	9	71 889	67 289	61 783
		85 870	**74 165**	**69 591**
Current Liabilities				
Loans from group companies	8	1 478	–	–
Other financial liabilities	16	3 280	826	920
Current tax payable		8 119	4 937	3 661
Trade and other payables	18	53 243	46 371	42 016
Provisions	19	7 344	6 681	6 595
Bank overdraft	14	–	8 729	–
		73 464	**67 544**	**53 192**
Total Liabilities		**159 334**	**141 709**	**122 783**
Total Equity and Liabilities		**384 815**	**339 083**	**283 917**

Consolidated Statement of Comprehensive Income for the year ended 31 August 2016

	Notes	2016 R'000	2015 R'000	2014 R'000
Revenue	20	401 692	348 874	315 123
Cost of sales		(239 098)	(213 016)	(201 837)
Gross profit		**162 594**	**135 858**	**113 286**
Other income		2 646	3 090	3 252
Operating expenses		(100 085)	(80 411)	(73 949)
Operating profit	21	**65 155**	**58 537**	**42 589**
Investment revenue	22	11 349	6 496	2 483
Finance costs	24	(2 986)	(1 937)	(2 447)
Profit before taxation		**73 518**	**63 096**	**42 625**
Taxation	25	(21 411)	(11 856)	(11 925)
Profit for the year		**52 107**	**51 240**	**30 700**
Other comprehensive income		–	–	–
Total comprehensive income for the year		**52 107**	**51 240**	**30 700**
Earnings per share information:				
Basic earnings per share (Rand)	30	5 210,84	5 123,78	3 070,01
Diluted earnings per share (Rand)	30	5 210,84	5 123,78	3 070,01

Consolidated Statement of Changes in Equity for the year ended 31 August 2016

	Share Capital R'000	Reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 1 September 2013	**–**	**8 014**	**122 420**	**130 434**
Profit for the year	–	–	30 700	30 700
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**30 700**	**30 700**
Balance at 1 September 2014	**–**	**8 014**	**153 120**	**161 134**
Profit for the year	–	–	51 240	51 240
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**51 240**	**51 240**
Dividends	–	–	(15 000)	(15 000)
Total distributions to owners of company recognised directly in equity	**–**	**–**	**(15 000)**	**(15 000)**
Balance at 1 September 2015	**–**	**8 014**	**189 360**	**197 374**
Profit for the year	–	–	52 107	52 107
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**52 107**	**52 107**
Dividends	–	–	(24 000)	(24 000)
Total distributions to owners of company recognised directly in equity	**–**	**–**	**(24 000)**	**(24 000)**
Balance at 31 August 2016	**–**	**8 014**	**217 467**	**225 481**

Consolidated Statement of Cash Flows for the year ended 31 August 2016

	Notes	2016 R'000	2015 R'000	2014 R'000
Cash flows from operating activities				
Cash receipts from customers		402 492	270 017	307 343
Cash paid to suppliers and employees		(334 111)	(220 505)	(248 014)
Cash generated from operations	26	68 381	49 512	59 329
Interest income		1 357	710	258
Finance costs		(2 830)	(1 938)	(2 243)
Tax paid	27	(8 876)	(7 142)	(2 864)
Net cash from operating activities		**58 032**	**41 142**	**54 480**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(9 295)	(24 082)	(15 988)
Sale of property, plant and equipment	3	–	106	78
Purchase of intangible assets	5	–	–	(4)
Loans received from group companies		10 000	–	–
Loans advanced to group companies		(42 020)	(37 659)	(42 425)
Repayment of loans from group companies		(8 678)	–	–
Loans to group companies repaid		10 000	3 562	10 026
Repayments of other financial assets		42	–	
Advances to other financial assets		–	(502)	(80)
Net cash to investing activities		**(39 951)**	**(58 575)**	**(48 393)**
Cash flows from financing activities				
Proceeds from other financial liabilities		12 548	–	–
Repayment of other financial liabilities		(2 686)	(1 489)	(2 126)
Net cash to financing activities		**9 862**	**(1 489)**	**(2 126)**
Total cash movement for the year		**27 943**	**(18 922)**	**3 961**
Cash at the beginning of the year		(4 427)	14 495	10 534
Total cash at the end of the year	14	**23 516**	**(4 427)**	**14 495**

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, 2008 (No. 71 of 2008) as amended, ("Companies Act"). The annual financial statements have been prepared on the historical cost basis, except where otherwise stated, and incorporate the principal accounting policies set out below. These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation
The consolidated annual financial statements incorporate the annual financial statements of the company and all entities which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Business combinations
The group accounts for business combinations using the acquisition method of accounting.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment.

Interest in joint ventures
A joint venture is a contractual agreement whereby the group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Jointly controlled operations
In respect of its interests in jointly controlled operations, the group recognises in its annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operation.

1.2 Investments in subsidiaries

Separate Financial Statements
In the company's separate annual financial statements, investments in subsidiaries are carried at fair value through profit or loss.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.3 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables and loans and receivables
The group assesses its trade receivables and loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Property, plant and equipment
The group assesses the useful lives, depreciation rates and residual values of these assets at each statement of financial position date. These estimates take cognisance of current market and trading conditions for the group's specific assets. In addition the useful life estimates take into account the risk of obsolescence due to advances in technology.

Intangible assets

The group assesses the useful lives, amortisation rates and residual values at each reporting date. This judgement is used on the market and trading conditions for the group, management's expectations and strategy for the use of the intangible, as well as by performance indicators, sales growth rate and operating margins of cash generating units which use the intangible.

Biological assets
Abalone is weighed and graded into specific different size categories at regular intervals. A predicted growth rate for the abalone is determined based on the actual weight of the abalone which has been weighed and graded at the birth date of the abalone. As at the reporting date, a combination of graded figures and predicted figures (those awaiting their

latest grade interval) is then used to determine the weight and graded size categories of the abalone. The value of the stock is then determined based on the market value of each grading size category for the abalone. All selling costs are excluded from fair values.

Impairment testing
Assets are subject to regular impairment reviews as required. Impairments are measured at the difference between the carrying value of a particular asset and the recoverable amount which is the greater of the fair value less cost to sell or value in use of the asset. Impairments are recorded in the statement of comprehensive income in the period in which they occur. The group's policy in relation to impairment testing in respect of goodwill is detailed below.

The recoverable amount of the cash-generating units has been determined based on a value in use calculation. Key assumptions applied to determine the recoverable amount of the cash generating units, using the value in use calculation relating to sales growth rates, working capital requirements and capital expenditure. Cash flow projections were based on historical information and financial budgets approved by senior management covering a five year period.

Assumptions applied for impairment testing of goodwill:

Risk free rate	R 207 Government Bonds
Beta	1.01 – 1.10
Discount rate	18.16% – 22.10%

Investments in subsidiaries

Valuation method
An entity discounted cash flow (DCF) valuation technique is used for all unlisted investments that are held at fair value and for which there is no active market. Price/earnings valuations are not as accurate and are thus only used as a secondary review.

Application of Methodology
Free cash flow (FCF) forecasts are prepared year-by-year for a minimum of a three-year period and for high-growth companies year-by-year forecasts for a period of five to ten year period are prepared, where after a terminal value will be calculated.

Terminal value growth rates
When calculating the terminal value, growth rates in excess of the current inflation rate are not utilised. Real growth beyond ten years is not likely, and even if likely is difficult to forecast with any certainty.

Terminal values
When calculating the terminal value, care is taken regarding the level of net capital investment assumed. This is assumed to be lower than during the specific forecast period for high growth companies. For mature, stable companies net capital investment during the specific forecast period and beyond is assumed to be the same.

Discount Rate
Free cash flows are discounted at the company's weighted average cost of capital (WACC), being the weighted cost of equity (as determined using the capital asset pricing model (CAPM)) and the weighted after-tax cost of debt and/or any other non-equity form of financing.

Risk free rate
The risk free rate utilised is the current yield on R207 government bonds. These yields were obtained from the financial press at the time of preparing the valuations.

Beta
The equally-weighted average of the relevant industry betas together with professional judgement is used.

The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the group's recent market risk.

Market Risk Premium
A market risk premium was utilised in all valuations.

Value of Equity
The value of equity will be equal to the free cash flow value of the entity, less the statement of financial position values (at valuation date) of debt and any other form of financing, plus any cash on hand (per the statement of financial position) which is in excess of normal working capital requirements.

Fair value determination
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting period. Discounted cash flows are used to determine fair value for the investments in subsidiary companies. The use of a discounted cash flow analysis requires the estimation of a number of significant components, including the future expected cash flows and the weighted average cost of capital used to perform the discounting. Many of these factors may have a material impact on the valuation.

Provisions
At each statement of financial position date management estimates the leave pay provision based on the outstanding number of leave days due to employees applied to the cost of employment. Management also estimates the bonus provision based on the number of employees that would have achieved their key performance indicators. Other provisions are estimated based on the information available and past experience.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Average useful life
Land	Indefinite
Buildings	5 – 40 years
Leasehold property	5 – 40 years
Plant and machinery	4 – 30 years
Furniture and fixtures	2 – 12 years
Motor vehicles	2 – 5 years
Office equipment	3 – 20 years
IT equipment	2 – 3 years
Vessels	3 – 32 years

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

1.5 Biological assets

Biological assets consist of abalone cultivated in an aquaculture farm and are measured at their fair value less estimated point of sell costs.

Any gains or losses arising on initial recognition or from subsequent change in fair value less estimated point of sell costs is included in profit or loss for the period in which it arises.

1.6 Intangible assets

Intangible assets which are separately acquired are initially recognised at cost.

Intangible assets with a finite useful life are stated at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

Item	Useful life
Patents and trademarks	4 – 15 years
Fishing Quotas	4 years

1.7 Financial instruments

Initial recognition and measurement
The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

The group's financial assets are investments, loans receivables, trade and other receivables and bank and cash balances. The group's principal financial liabilities are interest-bearing and non-interest bearing loans payable, trade and other payables and bank overdrafts.

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Trade and other payables
Trade payables are initially measured at fair value plus transactions costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

Bank overdraft and borrowings
Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Loans to/from group companies
These include loans to and from holding companies, fellow subsidiaries, subsidiaries and joint ventures are recognised initially at fair value plus direct transaction costs.

Subsequently these loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the loan at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans from group companies are measured at amortised cost.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

1.8 Tax

Current tax assets and liabilities
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 reporting date.

Deferred tax assets and liabilities
A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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.

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Operating leases – lessor
Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases – lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Obsolete, redundant and slow moving items are identified on a regular basis and are written down to their estimated net realisable values.

1.11 Impairment of assets

The group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Employee benefits

Post-employment medical aid cost
The group has an obligation to pay the medical aid cost of retired employees. The entitlement of these benefits was based on the employees remaining in service up to retirement age and the completion of a minimum service period.

The present value of the liability incurred is calculated based on remaining contributions to the medical aid fund and is included in the calculation of profit or loss for the period in which the amounts are paid.

Contributions to the medical aid fund increases annually, based on current market trends.

1.13 Provisions

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.14 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 September 2016 or later periods:

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
IFRS 15 Revenue from Contracts with Customers	1 January 2017	Impact is currently being assessed
IFRS 9 Financial Instruments	1 January 2018	Unlikely there will be a material impact
IFRS 16 Leases	1 January 2019	Impact is currently being assessed
Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Unlikely there will be a material impact
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	Unlikely there will be a material impact
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	Unlikely there will be a material impact
Amendment to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	Unlikely there will be a material impact
Amendments to IFRS 10, 12 and IAS 28: Investment Entities, Applying the consolidation exemption	1 January 2016	Unlikely there will be a material impact
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	1 January 2016	Unlikely there will be a material impact
Amendments to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	1 January 2016	Unlikely there will be a material impact
Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	1 January 2016	Unlikely there will be a material impact
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	1 January 2016	Unlikely there will be a material impact
Amendment to IAS 34: Interim Financial Reporting: Annual Improvements project	1 January 2016	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2016			2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 632	–	2 632	2 632	–	2 632	2 632	–	2 632
Buildings	3 133	(1 031)	2 102	2 608	(916)	1 692	1 199	(857)	342
Leasehold property	15 594	(11 966)	3 628	15 583	(11 503)	4 080	15 578	(11 062)	4 516
Plant and machinery	135 282	(94 299)	40 983	133 074	(90 579)	42 495	129 509	(91 243)	38 266
Furniture and fixtures	2 367	(1 906)	461	2 228	(1 888)	340	2 135	(1 852)	283
Motor vehicles	4 235	(3 243)	992	3 842	(3 039)	803	3 379	(2 901)	478
Office equipment	714	(574)	140	665	(548)	117	655	(536)	119
Computer equipment	2 229	(1 720)	509	2 087	(1 468)	619	1 946	(1 251)	695
Vessels	171 174	(98 025)	73 149	167 185	(90 720)	76 465	154 954	(81 634)	73 320
Total	**337 360**	**(212 764)**	**124 596**	**329 904**	**(200 661)**	**129 243**	**311 987**	**(191 336)**	**120 651**

Reconciliation of property, plant and equipment – 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 632	–	–	–	2 632
Buildings	1 692	526	–	(116)	2 102
Leasehold property	4 080	12	–	(464)	3 628
Plant and machinery	42 495	2 508	(63)	(3 957)	40 983
Furniture and fixtures	340	179	(19)	(39)	461
Motor vehicles	803	393	–	(204)	992
Office equipment	117	49	–	(26)	140
Computer equipment	619	141	–	(251)	509
Vessels	76 465	5 487	(454)	(8 349)	73 149
Total	**129 243**	**9 295**	**(536)**	**(13 406)**	**124 596**

Reconciliation of property, plant and equipment – 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 632	–	–	–	2 632
Buildings	342	1 409	–	(59)	1 692
Leasehold property	4 516	6	–	(442)	4 080
Plant and machinery	38 266	7 709	(106)	(3 374)	42 495
Furniture and fixtures	283	93	–	(36)	340
Motor vehicles	478	463	–	(138)	803
Office equipment	119	10	–	(12)	117
Computer equipment	695	156	–	(232)	619
Vessels	73 320	14 236	(729)	(10 362)	76 465
Total	**120 651**	**24 082**	**(835)**	**(14 655)**	**129 243**

Reconciliation of property, plant and equipment – 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 632	–	–	–	2 632
Buildings	374	–	–	(32)	342
Leasehold property	5 026	–	–	(510)	4 516
Plant and machinery	39 405	1 114	–	(2 253)	38 266
Furniture and fixtures	271	61	(16)	(33)	283
Motor vehicles	538	186	(100)	(146)	478
Office equipment	105	24	–	(10)	119
Computer equipment	734	165	(23)	(181)	695
Vessels	70 932	14 438	(15)	(12 035)	73 320
Total	**129 017**	**15 988**	**(154)**	**(15 200)**	**120 651**

Pledged as security

The following assets have been encumbered as security for long-term borrowings:

	2016	2015	2014
Computer equipment	–	282	379
Motor vehicles	495	308	142
Vessels	15 213	14 531	12 305

Refer to note 15 for the loan balances, instalment amounts, interest rate charged and maturity dates of the loans.

Details of property

Premier Fishing SA Proprietary Limited has land located in the Overstrand Municipality on Erf 1727 measuring 3.7 hectares and Erf 3819 measuring 6 hectares. The land is registered under Title Deeds T455052/2002 and T160/1938.

4. GOODWILL

	2016	2015	2014
Cost	31 370	31 370	31 370
Accumulated impairment	(13 205)	(13 205)	(13 205)
Balance at end of year	**18 165**	**18 165**	**18 165**

Goodwill arose from the acquisition of an additional 50% shareholding in Premfresh Seafoods Proprietary Limited in the 2007 financial year and the acquisition of 100% shareholding in Marine Growers Proprietary Limited in the 2008 financial year. Premfresh Seafoods Proprietary Limited is now 100% held by Premier Fishing SA Proprietary Limited. The remainder of the goodwill balance relates to the acquisition of 100% shareholding in Sekunjalo Food and Fishing Proprietary Limited and Sekfish Investments Proprietary Limited.

The accumulated impairment was as a result of goodwill arising from the acquisition of Premfresh Seafoods Proprietary Limited being written down in full during the 2009 financial year. There were no further impairments since that year.

Impairment testing

The group performs an annual impairment test on goodwill based on cash-generating units ("CGU"). The recoverable amount of each of the CGUs to which goodwill is allocated has been determined based on a value in use calculation which uses cash flow projections on financial forecasts approved by the board of directors covering a five year period.

The cash flow projections over the five year budget period are based on the assumption of the same expected gross margin and price inflation over the budget period.

The following are the principle assumptions that were used to calculate the recoverable amounts of the CGUs:

	2016	2015	2014
Abalone division:			
Discount rate	18.68%	18.16%	17.73%
Number of years	5	5	5
Growth rate	4.50%	4.50%	4.50%
Fishing division:			
Discount rate	14.19%	18.19%	16.61%
Number of years	5	5	5
Growth rate	4.50%	4.50%	4.50%

Allocation of goodwill to cash-generating units

Goodwill acquired through business combinations has been allocated to cash-generating units for impairment testing as follows:

	2016	2015	2014
Abalone division	14 136	14 136	14 135
Fishing division	4 029	4 029	4 029
Total	**18 165**	**18 165**	**18 165**

5. INTANGIBLE ASSETS

	2016	2015	2014
Cost	1 346	1 346	1 346
Trade marks	130	130	130
Fishing Quota	1 216	1 216	1 216
Accumulated amortisation	(1 305)	(1 104)	(860)
Trade marks	(90)	(83)	(78)
Fishing Quota	(1 215)	(1 021)	(782)
Balance at end of year	**41**	**242**	**486**

Reconciliation of intangible assets – 2016

	Opening balance	Amortisation	Total
Trade marks	46	(6)	40
Fishing Quota	196	(195)	1
Total	**242**	**(201)**	**41**

Reconciliation of intangible assets – 2015

	Opening balance	Amortisation	Total
Trade marks	52	(6)	46
Fishing Quota	434	(238)	196
Total	**484**	**(244)**	**242**

Reconciliation of intangible assets – 2014

	Opening balance	Additions	Amortisation	Total
Trade marks	53	4	(5)	52
Fishing Quota	723	–	(289)	434
Total	**776**	**4**	**(294)**	**486**

Other information

The trademarks are attributable to the registration costs of the South Atlantic Lobster and Sea Diamond brands. These brands are well established in the United States of America, Europe and East Asian markets. The trademarks are amortised over an estimated useful life of 4 to 15 years.

The fishing quota relates to a right to catch west coast rock lobster quota which was acquired from another rights holder. The duration of the fishing quota was up to the end of the current financial year.

6. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the company indirectly through subsidiaries. The percentage of voting power is the same as the percentage of shareholding.

Group

Name of company	Indirectly held by:	% holding 2016	% holding 2015	% holding 2014
Sekfish Investments Proprietary Limited	Sekunjalo Food and Fishing Proprietary Limited	100%	100%	100%
Premier Fishing SA Proprietary Limited	Sekfish Investments Proprietary Limited	100%	100%	100%
Marine Growers Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
Premfresh Seafoods Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
Kuttlefish Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
Seagro Fertilisers Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
Atlantic Fishing Enterprises Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
Chapman's Peak Fisheries Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
Fish Drying Corporation Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
John Ovenstone Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%
John Quality Proprietary Limited	Premier Fishing SA Proprietary Limited	100%	100%	100%

The following table lists the entity which is controlled directly by the company, and the carrying amount of the investment in the company's separate financial statements. The investment in the subsidiary has been designated as at fair value through profit and loss.

Company

Name of company	% holding 2016	% holding 2015	% holding 2014	Carrying amount 2016	Carrying amount 2015	Carrying amount 2014
Sekunjalo Food and Fishing Proprietary Limited	100%	100%	100%	1 014	411	350

Fair value information

Refer to note 34 for the fair value information.

Reconciliation of investments in subsidiaries – Company

Below is a reconciliation of the movement in the carrying value of investments in subsidiaries:

	2016	2015	2014
Opening balance	411	350	348
Change in fair value	603	61	2
Closing balance	**1 014**	**411**	**350**

7. JOINT ARRANGEMENTS

Joint operations

The following table lists all of the joint operations in the group:

Joint operation	Country of operation	% Ownership interest 2016	2015	2014
Premier – BCP Hake Joint Venture	South Africa	48%	48%	48%
Premier – Seacat Joint Venture	South Africa	50%	50%	50%
Bloudam Joint Venture	South Africa	38%	38%	38%

The Premier – BCP Hake Joint Venture is a jointly controlled operation with Blue Continental Products Proprietary Limited. The operation is engaged in the catching, processing and marketing of Premier Fishing SA Proprietary

Limited's hake fishing rights together with that of the joint operation partner.

The Premier – Seacat Joint Venture is a jointly controlled operation with Seacat Fishing Proprietary Limited. Premier Fishing SA Proprietary Limited and Seacat Fishing Proprietary Limited jointly own and operate a fishing vessel which catches and processes squid.

The Bloudam Joint Venture is a jointly controlled operation in which Premier Fishing SA Proprietary Limited owns a share in a fishing vessel with external quota holders. The fishing vessel catches west coast rock lobster on behalf of Premier Fishing SA Proprietary Limited and the external quota holders

Joint venture

The following table lists the joint venture in the group:

Name of company	% Ownership interest 2016	2015	2014	Carrying amount 2016	2015	2014
Premier Select Proprietary Limited	50%	50%	50%	–	–	–

Summarised Statement of Comprehensive Income	2016	2015	2014
Operating expenses	(7)	(25)	(7)
Loss before tax	(7)	(25)	(7)
Loss from continuing operations	(7)	(25)	(7)
Total comprehensive loss	**(7)**	**(25)**	**(7)**

Summarised Statement of Financial Position	2016	2015	2014
ASSETS			
Non-current	**19**	**25**	**31**
Current			
Cash and cash equivalents	87	88	89
Trade and other receivables	107	107	107
Total current assets	**194**	**195**	**196**
LIABILITIES			
Non-current			
Loans from shareholders	722	722	703
Total non-current liabilities	**722**	**722**	**703**
Current			
Trade payables	45	45	45
Total current liabilities	**45**	**45**	**45**
Total net assets	**(554)**	**(547)**	**(521)**

Reconciliation of net assets to equity accounted investments in joint ventures	2016	2015	2014
Interest in joint venture at percentage ownership	(277)	(273)	(260)
Cumulative unrecognised losses	277	273	260
Previously recognised loss	–	–	–
Carrying value of investment in joint venture	**–**	**–**	**–**

The summarised information presented above reflects the full financial position and results of the joint venture and includes an intercompany balance.

Summary of group's interest in joint operations	2016	2015	2014
Premier – BCP Hake Joint Venture Operation			
Revenue	64 813	51 795	57 889
Cost of sales	(37 716)	(34 081)	(34 050)
Other operating income	364	37	1 029
Operating expenses	(7 058)	(4 980)	(8 481)
Interest income	776	395	233
Total comprehensive income	**21 179**	**13 166**	**16 620**
Share of total comprehensive income	**10 166**	**6 319**	**7 978**
Current Assets			
Inventories	1 268	1 381	2 191
Trade and other receivables	8 514	13 645	11 633
Cash and cash equivalents	14 435	–	7 054
Total current assets	**24 217**	**15 026**	**20 878**
Current Liabilities			
Trade and other payables	(7 732)	(2 610)	(4 258)
Bank overdraft	–	(1 146)	–
Total current liabilities	**(7 732)**	**(3 756)**	**(4 258)**
Net assets	**16 485**	**11 270**	**16 620**
Share of net assets	**7 912**	**5 409**	**7 978**
Premier – Seacat Joint Venture Operation			
Revenue	6 431	2 472	2 086
Cost of sales	(3 880)	(1 297)	(1 174)
Operating expenses	(1 024)	(713)	(478)
Interest income	63	6	6
Finance costs	–	(2)	–
Total comprehensive income	**1 590**	**466**	**440**
Share of total comprehensive income	**795**	**233**	**220**
Current Assets			
Inventories	287	1 271	103
Trade and other receivables	177	216	–
Cash and cash equivalents	1 456	–	122
Total current assets	**1 920**	**1 487**	**225**
Current Liabilities			
Trade and other payables	(330)	(301)	(61)
Bank overdraft	–	(19)	–
Total current liabilities	**(330)**	**(320)**	**(61)**
Net assets	**1 590**	**1 167**	**164**
Share of net assets	**795**	**584**	**82**
Bloudam Joint Venture Operation			
Revenue	729	878	705
Cost of sales	(83)	(103)	(61)
Operating expenses	(1 256)	(1 456)	(1 218)
Total comprehensive loss	**(610)**	**(681)**	**(574)**
Share of total comprehensive loss	**(232)**	**(259)**	**(218)**
Current Liabilities			
Other financial liabilities	(537)	(615)	(439)
Trade and other payables	(73)	(66)	(134)
Total current liabilities	**(610)**	**(681)**	**(573)**
Net assets	**(610)**	**(681)**	**(573)**
Share of net assets	**(232)**	**(259)**	**(218)**

The summarised information presented above reflects the full financial position and results of the joint operations.

8. LOANS TO (FROM) GROUP COMPANIES

	2016	2015	2014
Fellow subsidiaries			
espAfrika Proprietary Limited	(1 478)	–	–
Interest is charged at a rate of 7% per annum. The loan is unsecured and is repayable on demand.			
Joint Ventures			
Premier Select Proprietary Limited	397	397	379
The loan is interest free and unsecured. Premier Fishing SA Proprietary Limited has granted an unconditional right to Premier Select Proprietary Limited to defer repayment of the outstanding amounts for a period of at least 12 months from the statement of financial position date.			
Holding companies			
African Equity Empowerment Investments Limited – loan 1	62 092	24 330	–
Interest is charged at the prime bank overdraft rate plus 5%. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.			
African Equity Empowerment Investments Limited – loan 2	15 907	35 690	35 155
Interest is charged at the prime bank overdraft rate plus 1.5%. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.			
Total loans payable	**(1 478)**	**–**	**–**
Total loans receivable	**78 396**	**60 417**	**35 534**
Non-current assets	78 396	60 417	35 534
Current liabilities	(1 478)	–	–
Net	**76 918**	**60 417**	**35 534**

Credit quality of loans to group companies

The loans are advanced to group companies for capital investment or working capital needs. The risk of default is based on the success of the group company's trading. The risk of default on the loans is considered minimal and credit quality is considered high. No loans are past due and none are impaired.

Fair value of loans to and from group companies

The carrying value of the loans approximate fair value.

9. DEFERRED TAX

	2016	2015	2014
Deferred tax liability			
Property, plant and equipment	(23 083)	(24 060)	(25 194)
Prepaid expenses	(667)	–	–
Fair value gain on loan	(2 793)	(2 325)	(2 325)
Shipping allowance	(38 101)	(30 846)	(24 180)
Biological assets	(13 487)	(12 925)	(10 084)
	(78 131)	(70 156)	(61 783
Assets netted off against the deferred tax liability	6 242	2 867	–
Total net deferred tax liability	**(71 889)**	**(67 289)**	**(61 783)**
Deferred tax asset			
Income received in advance	290	75	62
Operating lease liability	578	614	472
Provisions	2 575	2 243	2 214
Deferred tax balance from temporary differences other than unused tax losses	3 443	2 932	2 748
Tax losses available for set off against future taxable income	2 863	4 752	–
	6 306	7 684	2 748
Assets netted off against the deferred tax liability	(6 242)	(2 867)	**–**
Total deferred tax asset	**64**	**4 817**	**2 748**
Total net deferred tax liability	**(71 825)**	**62 472**	**59 035**
Reconciliation of deferred tax asset (liability)			
Balance at beginning of the year	(62 472)	(59 035)	(53 482)
Increase due to change in capital gains tax rate	(468)	–	–
Accelerated capital allowances on property, plant and equipment	921	1 065	(446)
Tax loss available for set off against future taxable income	(1 889)	4 752	(1 328)
Intangible assets	56	68	81
Operating lease liabilities	(36)	142	304
Income received in advance	215	13	(33)
Provisions	332	29	(178)
Fair value adjustments on biological assets	(562)	(2 841)	1 619
Shipping allowances	(7 255)	(6 665)	(5 572)
Prepaid expenses	(667)	–	–
Balance at the end of the year	**(71 825)**	**(62 472)**	**(59 035)**

Recognition of deferred tax asset

The group has recognised a deferred tax asset on an assessed loss in a subsidiary, Marine Growers Proprietary Limited as the directors have a reasonable expectation that the company will generate sufficient future taxable income to utilise the assessed loss.

10. INVENTORIES

	2016	2015	2014
Raw materials	1 934	2 253	1 062
Finished goods	35 619	20 305	16 204
Consumables	4 826	3 933	2 476
Total	**42 379**	**26 491**	**19 742**

No inventory was written down to net realisable value in the current and prior year.

11. OTHER FINANCIAL ASSETS

	2016	2015	2014
Loans and receivables			
Premier Seacat Joint Venture	–	373	339
Bloudam Joint Venture	1 065	734	265
Total	**1 065**	**1 107**	**604**

The loans are unsecured and interest free.

Fair value of loans and receivables	**1 065**	**1 107**	**604**

12. TRADE AND OTHER RECEIVABLES

	2016	2015	2014
Trade receivables	32 400	26 861	26 387
Employee costs in advance	55	117	71
Prepayments	1 525	394	1 460
Deposits	195	215	192
Value added taxation	3 875	4 458	4 767
Insurance claims	54	229	1 050
Advances to contracted fishermen	1 950	–	–
Amounts receivable from related parties	1 173	1 363	840
Prepayments to related parties	858	577	–
Other receivables	296	915	519
Amounts receivable from other quota holders	5 889	12 854	38
Total	**48 270**	**47 983**	**35 324**

Trade and other receivables pledged as security

Trade and other receivables were ceded as security for overdraft facilities of R 35,000,000 (2015: R 35,000,000) of the group. Refer to note 14 for more details.

Credit quality of trade and other receivables

The group performs ongoing credit evaluations of the financial condition of all customers. Before any new customer is approved for credit, a thorough credit check is performed by an external credit agency. The agency provides credit scores and credit ratings on each customer. In addition to that a recommended credit limit is provided by the credit agency. Additional internal ratings and credit limit checklist procedures are performed by management before a final credit limit is approved to our customers. The credit quality of trade and other receivables that are neither past nor due nor impaired is assessed by management based on historical information about counterparty default ratings if available. The customer base consists of both foreign and local customers. Credit quality is considered to be high.

Fair value of trade receivables

Trade receivables	32 400	26 861	26 387

The fair value of trade and other receivables approximates its carrying value due to the short term nature and the fact that no interest is being charged.

Trade receivables past due but not impaired

Trade and other receivables which are less than 60 days past due are not considered to be impaired. At 31 August 2016, trade receivables of R 1 953 279 (2015: R 777 193) were past due but not impaired. There were no trade receivables impaired during the current and prior period.

Age analysis of trade receivables:

Current	20 711	21 993	19 739
0 – 30 days	4 023	1 960	3 245
30 – 60 days	450	627	2 884
60 – 90 days	5 940	166	358
Over 90 days	1 276	2 115	161
Total	**32 400**	**26 861**	**26 387**

The carrying amount of trade and other receivables are denominated in the following currencies:

Rand	21 890	19 038	16 011
US dollar	10 510	7 785	10 376
Euro	–	38	–
Total	**32 400**	**26 861**	**26 387**

13. BIOLOGICAL ASSETS

	2016	2015	2014
Abalone	48 169	46 162	36 014

Reconciliation of biological assets – 2016

	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
Abalone	46 162	(41 223)	43 230	48 169

Reconciliation of biological assets – 2015

	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
Abalone	36 014	(31 690)	41 838	46 162

Reconciliation of biological assets – 2014

	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
Abalone	41 798	(37 528)	31 744	36 014

Non-Financial information

	2016	2015	2014
Abalone – Kgs	102 501	112 795	75 052

Methods and assumptions used in determining fair value

For fair value information refer to note 34.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of:

	2016	2015	2014
Cash on hand	41	31	29
Bank balances	23 475	4 271	14 466
Bank overdraft	–	(8 729)	–
Total	**23 516**	**(4 427)**	**14 495**
Current assets	23 516	4 302	14 495
Current liabilities	–	(8 729)	–
Net amount	**23 516**	**(4 427)**	**14 495**

The bank overdrafts in the group are secured by:

- Unlimited suretyship by Premier Fishing SA Proprietary Limited;
- Unlimited suretyship by Premfresh Seafoods Proprietary Limited, supported by a cession of loan accounts;
- Unlimited suretyship by Marine Growers Proprietary Limited, supported by a cession of loan accounts;
- Unlimited suretyship by African Equity Empowerment Investments Limited;
- Cession of debtors and foreign currency accounts;
- Negative pledge undertaking not to increase external borrowing any higher;
- First Maritime Bond of R1 200 000 registered over fishing vessel Lubbetjie;
- First Maritime Bond of R1 900 000 registered over fishing vessel Mizpah;
- Special Notarial Bond Number BN23802/2008 for R3 450 000 over fishing vessels Southern Knight and
- Southern Horizon;
- General Notarial Bond Number BN23803/2008 for R50 000 000 over stock, moveable assets, plants and
- equipment and vessel equipment;
- First Maritime Bond for R40 959 500 by Premier Fishing SA Proprietary Limited over marine vessels with the
- carrying value of R37 157 619;
- First Continuing Covering Mortgage Bond Number B28343/2008 for R10 000 000 over Erf 11 St Helena Bay
- held under Deed of Transfer Number T46847/2002;
- Second Maritime Bond of R4 400 000 registered over fishing vessel Lubbetjie;
- Second Maritime Bond of R6 100 000 registered over fishing vessel Mizpah;
- Cession of fire and sasria policy for fishing vessels with a carrying value of R37 157 619:
- Guarantees are as follows:
- Nedbank: R82 000
- Other securities: Cession of Nedbank call accounts and agreement to set off current account and foreign advance accounts.

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

Cash and cash equivalents are held with ABSA, Standard Bank and Nedbank. These are all reputable banking institutions and their credit quality is considered to be high.

	2016	2015	2014
Credit rating			
ABSA Bank Limited BBB	15 469	3 517	10 485
Nedbank Limited BBB-	1 065	731	541
Standard Bank Limited BBB-	6 941	23	3 440
Total	**23 475**	**4 271**	**14 466**

15. SHARE CAPITAL

Authorised			
15 000 000 Ordinary shares of R0.01 each	150	150	150
Issued			
10 000 Ordinary shares of R0.01 each	–	–	–

16. OTHER FINANCIAL LIABILITIES

Held at amortised cost			
ABSA Bank Limited – Asset Finance	1 449	2 055	2 630

The loans are for a term of 48 to 60 months. Repayable in monthly instalments of:

- R3 229;
- R5 319;
- R6 767;
- R18 856;
- R26 653; and
- R35 528 ending on 30 November 2020.

The interest rates charged on the loans at 31 August 2016 are:

- 10.25%;
- 10.75%;
- 11.50%; and
- 12.00%

	2016	2015	2014
Secured by motor vehicles with a carrying value of R495 429 (2015: R307 530) and vessels with a carrying of R15 213 236 (2015: R14 530 686).			
ABSA Bank Limited – Revolving loan	1 373	1 980	2 702
The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R56 632 ending on 31 August 2017. The loan was used in the purchase of Marine Growers Proprietary Limited by Premier Fishing SA Proprietary Limited			
ABSA Bank Limited – Project Finance	11 183	–	–
The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R203 333 ending on 31 March 2021. African Equity Empowerment Investments Limited has provided a limited guarantee for the loan to ABSA Bank Limited.			
Netsurit Technology Rentals Proprietary Limited	30	147	320
The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R20,962 ending 31 October 2016. The loan was secured by computer equipment with a carrying value of R185 628 (2015: R282 477)			
Premier Seacat Joint Venture	9	–	–
The loan is interest free, unsecured and repayable on demand.			
Bloudam Joint Venture	–	–	18
The loan is interest free, unsecured and repayable on demand.			
Total	**14 044**	**4 182**	**5 670**

Non-current liabilities	10 764	3 356	4 750
Current liabilities	3 280	826	920
Total	**14 044**	**4 182**	**5 670**

17. POST-EMPLOYMENT MEDICAL COSTS

Post-employment medical costs	1 153	1 328	1 372
Opening balance	1 328	1 372	1 782
Decrease in provision for medical aid costs	(176)	(44)	(410)
Closing balance	**1 153**	**1 328**	**1 372**

This is a provision for medical aid costs of retired employees. The provision is calculated taking into account the current medical aid contribution, the life expectancy of the employees and a discount rate of 6% to calculate the present value of the obligation.

18. TRADE AND OTHER PAYABLES

Trade payables	24 680	23 531	20 045
Amounts received in advance	1 628	170	686
Value added taxation	497	502	111
Amounts due to related parties	7 877	5 916	3 725
Income received in advance from related parties	1 208	699	–
Payroll accruals for related parties	3 819	3 144	2 300
Accrued expenses	3 603	5 840	4 265
Amounts due to other quota holders	3 601	858	5 483
Accrued audit fees	849	428	694
Payroll accruals	5 481	5 283	4 707
Total	**53 243**	**46 371**	**42 016**

The carrying amounts of amounts received in advance are denominated in the following currencies:

Rand	29	52	19
US dollar	1 572	118	649
Euro	27	–	18
Closing balance	**1 628**	**170**	**686**

Trade and other payables are interest free and have payment terms of between 30 to 60 days.

The carrying value of trade and other payables approximates fair value due to their short term nature.

19. PROVISIONS

	2016	2015	2014
Provisions	7 344	6 681	6 595

Reconciliation of provisions – 2016

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay provision	1 693	2 384	(2 155)	(322)	1 600
Bonus provision	2 072	2 137	(2 466)	395	2 138
Commission provision	1 650	2 268	(1 650)	–	2 268
Provision for municipal electricity, rates and levies	1 266	1 338	(1 266)	–	1 338
Total	**6 681**	**8 127**	**(7 537)**	**73**	**7 344**

Reconciliation of provisions – 2015

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay provision	1 266	2 690	(1 815)	(448)	1 693
Bonus provision	2 143	2 072	(2 572)	429	2 072
Commission provision	2 276	1 650	(2 276)	–	1 650
Provision for municipal electricity, rates and levies	910	1 266	(910)	–	1 266
Total	**6 595**	**7 678**	**(7 573)**	**(19)**	**6 681**

Reconciliation of provisions – 2014

	Opening balance	Additions	Utilised during the year	Reversed during the year	Transferred to accruals	Total
Leave pay provision	1 595	2 070	(1 894)	(505)	–	1 266
Competition commission provision	2 153	–	(584)	–	(1 569)	–
Bonus provision	2 087	2 888	(2 722)	(110)	–	2 143
Commission provision	2 134	2 276	(2 134)	–	–	2 276
Provision for municipal electricity, rates and levies	1 137	910	(1 137)	–	–	910
Total	**9 106**	**8 144**	**(8 471)**	**(615)**	**(1 569)**	**6 595**

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the statement of financial position date. The above provision represents management's best estimate of the group's best estimate based on prior experience.

The provision for bonuses is provided for when they accrue to employees with reference to services rendered up to the statement of financial position date. The above provision represents management's best estimate of the group's best estimate based on prior experience.

The commission provision relates to commission expenses payable to a sales agent. The actual sales price realised from which the commission is based on was not yet finalised at year end. The provision represents management's best estimate based on expected market prices.

The provision for municipal electricity, rates and levies relates to expenses incurred by the group for electricity usage, rates and taxes. The actual bill was not yet received as year-end therefore management estimated the amount of the provision based on estimated usage and charge rates from the previous month.

20. REVENUE

	2016	2015	2014
Sale of goods	368 697	323 727	295 429
Rendering of services	20 353	15 938	11 487
Rent	12 642	9 209	8 207
Total	**401 692**	**348 874**	**315 123**

21. OPERATING PROFIT

Operating profit (loss) for the year is stated after accounting for the following:

Interest from the holding company	9 992	5 786	2 226
Management fee expense to the holding company	13 284	12 513	11 565
Loss on sale of property, plant and equipment	569	729	76
Loss (profit) on exchange differences	521	(2 610)	(2 168)
Amortisation of intangible assets	201	244	294
Depreciation on property, plant and equipment	13 407	14 654	15 200
Employee costs	57 213	54 382	51 957
Fair value gain (loss) on biological assets	(2 007)	(10 148)	5 784

22. INVESTMENT REVENUE

Interest income			
Group companies	9 992	5 786	2 226
Bank	695	309	152
Quota holders	662	401	105
Total	**11 349**	**6 496**	**2 483**

23. FAIR VALUE ADJUSTMENTS

24. FINANCE COSTS

Group companies	156	–	202
Bank	2 488	1 895	2 239
Late payment of tax	342	42	6
Total	**2 986**	**1 937**	**2 447**

25. TAXATION

Major components of the tax expense

Current			
South African normal taxation	11 942	8 418	6 383
Local income tax – recognised in current tax for prior periods	116	–	(10)
Total current tax expense	**12 058**	**8 418**	**6 373**
Deferred			
Originating and reversing temporary differences	8 885	3 438	5 320
Arising from prior period adjustments	–	–	232
Changes in tax rate	468	–	–
Total deferred tax expense	**9 353**	**3 438**	**5 552**
Total tax expense	**21 411**	**11 856**	**11 925**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate:

Applicable tax rate	28.00%	28.00%	28.00%
Disallowed charges	0.40%	0.95%	0.72%
Change in capital gains tax rate	0.74%	–	–
Utilisation of tax losses	–	(10.16%)	(0.74%)
Prior year under provision of tax	(0.02%)	–	–
Average effective tax rate	**29.12%**	**18.79%**	**27.98%**

26. CASH GENERATED FROM OPERATIONS

	2016	2015	2014
Profit before tax	73 518	63 096	42 625
Adjustments for:			
Loss on sale of assets	569	729	76
Interest income	(11 349)	(6 496)	(2 483)
Finance costs	2 986	1 937	2 447
Movements in operating lease liability	(129)	506	1 088
Movements in post-employment medical aid liability	(176)	(44)	(410)
Movements in provisions	662	87	(2 512)
Fair value adjustments of biological assets	(2 007)	(10 148)	5 784
Depreciation and amortisation	13 608	14 898	15 494
Changes in working capital:			
Inventories	(15 888)	(6 749)	(5 921)
Trade and other receivables	(287)	(12 659)	(10 511)
Trade and other payables	6 874	4 355	13 652
Total	**68 381**	**49 512**	**59 329**

27. TAX PAID

Tax payable balance at the beginning of the year	(4 783)	(3 507)	2
Current tax for the year recognised in profit or loss	(12 058)	(8 418)	(6 373)
Tax payable balance at the end of the year	7 965	4 783	3 507
Tax paid	**8 876**	**7 142**	**2 864**

28. AUDITORS' REMUNERATION

Fees	858	795	761
Adjustment for previous year	38	12	(51)
Total	**896**	**807**	**710**

29. COMMITMENTS

Authorised capital expenditure

Not yet contracted for and authorised by directors	12 519	8 060	11 990

This committed expenditure relates to plant and equipment and will be financed by available bank facilities.

Operating leases – as lessee

Minimum lease payments due (contractual amounts)			
– within one year	8 349	7 657	7 023
– in second to fifth year inclusive	7 273	15 622	22 941
– later than five years	–	–	339
Total	**15 622**	**23 279**	**30 303**
Minimum lease payments due (smoothed amounts)			
– within one year	7 529	7 529	7 529
– in second to fifth year inclusive	6 030	13 559	20 863
– later than five years	–	–	225
Total	**13 559**	**21 088**	**28 617**

The group rents its premises from Lexshell Proprietary Limited and the Department of Public Works in terms of operating leases. The lease contract with Lexshell Proprietary Limited is for a period of 25 years and escalating rentals are renegotiated every 5 years. The lease contract with the Department of Public Works is for a period of 9 years and 11 months.

30. EARNINGS PER SHARE

Earnings per share ("EPS") are derived by dividing the earnings attributable to equity holders of the parent by the weighted average number of ordinary shares.

	2016	2015	2014
Basic earnings per share (Rand)	5 210,84	5 123,78	3 070,01
Diluted earnings per share (Rand)	5 210,84	5 123,78	3 070,01
Basic and diluted earnings per share			
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:			
Earnings attributable to owners of Sekunjalo Industrials Holdings Proprietary Limited	52 107	51 240	30 700
Weighted average number of shares	10 000	10 000	10 000
Headline earnings per share			
Headline earnings are determined as follows:			
Earnings attributable to owners of Sekunjalo Industrials Holdings Proprietary Limited	52 107	51 240	30 700
Adjusted for:			
Effect of loss on disposal of property, plant and equipment gross of tax	569	729	76
Taxation effect	(159)	(204)	(21)
Headline earnings	**52 517**	**51 765**	**30 755**
Headline earnings per share (Rand)	5 251,80	5 176,28	3 075,54
Diluted headline earnings per share (Rand)	5 251,80	5 176,28	3 075,54

31. SUBSEQUENT EVENTS

The Board of AEEI approved the listing of its Food division in the short term to medium term (short term: 6 month medium term: 12 months).

32. RELATED PARTIES

Ultimate holding company	Africa Equity Empowerment Investments Limited
Subsidiaries	Refer to note 6
Joint ventures	Refer to note 7
Fellow subsidiary companies	Bioclones Proprietary Limited Emergent Energy Proprietary Limited espAfrika Proprietary Limited Health Systems Technologies Proprietary Limited Magic 828 Proprietary Limited Ribotech Proprietary Limited Sekunjalo Health Care Limited Sekpharma Proprietary Limited Sekunjalo Technologies Solutions Group Proprietary Limited Ribotech Proprietary Limited Wynberg Pharmaceutical Proprietary Limited Tripos Tourism Investments Proprietary Limited
Commonly controlled entities	African News Agency Proprietary Limited African Technology and Media Holdings Proprietary Limited Cape Sunset Villas Close Corporation Independent News and Media Proprietary Limited Independent Online Property Joint Venture Proprietary Limited Insights Publishing Proprietary Limited
Directors	Khalid Abdulla Aziza Begum Amod Cherie Felicity Hendricks
Members of key management	Mogamat Samir Saban Isaiah Tatenda Bundo Shaun Bhana Rushaan Isaacs Shaun Solomon Jean-Pierre Coetzer

Related party balances

	2016	2015	2014
Loans receivable from related parties			
Premier Select Proprietary Limited	397	397	379
African Equity Empowerment Investments Limited	77 999	60 020	35 155
	78 396	**60 417**	**35 534**
Loans payable to related parties			
espAfrika Proprietary Limited	1 478	–	–
Prepaid expenses to related parties			
Independent News and Media Proprietary Limited	858	577	–
Amounts receivable from related parties			
African Equity Empowerment Investments Limited	369	274	–
African News Agency Proprietary Limited	3	4	–
Bioclones Proprietary Limited	23	85	27
Emergent Energy Proprietary Limited	2	–	–
espAfrika Proprietary Limited	137	137	103
Health Systems Technologies Proprietary Limited	12	741	703
Independent News and Media Proprietary Limited	259	42	–
Insights Publishing Proprietary Limited	51	–	–
Magic 828 Proprietary Limited	125	–	–
Ribotech Proprietary Limited	90	69	–
Sekpharma Proprietary Limited	1	1	7
Sekunjalo Health Care Limited	81	–	–
Tripos Tourism Investments Proprietary Limited	16	10	–
Wynberg Pharmaceutical Proprietary Limited	4	–	–
	1 173	**1 363**	**840**
Amounts payable to related parties			
African Equity Empowerment Investments Limited	6 817	5 916	3 614
Cape Sunset Villas Close Corporation	333	–	108
Emergent Energy Proprietary Limited	700	–	–
Wynberg Pharmaceutical Proprietary Limited	27	–	3
	7 877	**5 916**	**3 725**
Income received in advance from related parties			
Independent News and Media Proprietary Limited	1 208	699	–

Related party transactions

	2016	2015	2014
Interest received from related parties			
African Equity Empowerment Investments Limited	9 992	4 468	2 226
Interest paid to related parties			
espAfrika Proprietary Limited	–	–	–
African Equity Empowerment Investments Limited	156	–	202
Purchases from related parties			
Emergent Energy Proprietary Limited	–	5 996	–
Health Systems Technologies	41	41	–
Rent received from related parties			
espAfrika Proprietary Limited	–	30	30
Independent News and Media Proprietary Limited	5 470	803	–
Management fees paid to related parties			
African Equity Empowerment Investments Limited	13 284	12 513	11 565
HR Fee income received from related parties			
African News Agency Proprietary Limited	43	16	–
African Technology and Media Holdings Proprietary Limited	12	–	–
Bioclones Proprietary Limited	16	11	13
Emergent Energy Proprietary Limited	6	4	11
Health Systems Technologies Proprietary Limited	128	133	135
Independent News and Media Proprietary Limited	129	82	18
Independent Online Property Joint Venture Proprietary Limited	19	–	–
Insights Publishing Proprietary Limited	9	–	–
Magic 828 Proprietary Limited	44	–	–
Ribotech Proprietary Limited	8	10	14
Sekunjalo Health Care Limited	15	15	14
Sekpharma Proprietary Limited	3	2	12
Tripos Tourism Investments Proprietary Limited	30	9	–
Computer expenses paid to related parties			
Health Systems Technologies Proprietary Limited	41	41	41
Rent paid to related parties			
Cape Sunset Villas Close Corporation	570	570	570
Subscription expense from related parties			
Independent News and Media Proprietary Limited	4 421	721	–
Compensation to directors and other key management			
Salaries	5 059	4 997	4 670
Travel allowance	29	–	–
Bonus	1 068	1 052	839
Medical aid contributions	59	64	62
Pension and provident fund contributions	607	587	537
Total	**6 822**	**6 700**	**6 108**

33. **GROUP SEGMENTAL ANALYSIS**

The information reported to the chief operating decision maker (CODM) for the purposes of assessment of segment performance and resource allocation focuses on the products sold or services rendered by the group. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable segments under IFRS 8 are as follows:

Fishing – Lobster
– Pelagics
– Hake
– Squid

Aquaculture – Abalone
– Seagro

Services – Processing and marketing
– Cold storage.

	Segment revenue			Segment profit		
	2016	2015	2014	2016	2015	2014
Segment						
Lobster	190 110	182 268	175 127	46 446	41 016	42 197
Pelagics	93 670	71 660	56 225	33 406	18 726	12 147
Hake	31 110	24 861	27 787	9 794	6 254	7 867
Squid	23 541	13 074	5 536	4 360	917	(1 223)
Abalone	39 697	32 415	37 528	13 015	8 976	14 197
Cold storage	8 720	7 934	8 283	303	922	2 041
Seagro	2 717	2 909	2 727	701	817	455
Processing and marketing	15 959	16 570	5 067	3 860	5 508	3 863
	405 524	**351 691**	**318 280**	**111 885**	**83 136**	**81 544**
Less inter segmental sales	(3 832)	(2 817)	(3 157)			
Administration and support services				(48 865)	(34 846)	(33 171)
Fair value gains (losses)				2 007	10 148	(5 784)
Interest income				11 477	6 596	2 483
Finance costs				(2 986)	(1 938)	(2 447)
Total	**401 692**	**348 874**	**315 123**	**73 518**	**63 096**	**42 625**

The inter-segmental sales are in respect of cold storage charges to the Lobster segment.

Segment profit represents the profit before tax earned by each segment without the allocation of central administration costs, fair value adjustments, interest income and finance costs. This is the measure that is reported to the chief operating decision maker for the purposes of assessment of segment performance and resource allocation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	2016	2015	2014
Segment assets			
Lobster	69 106	63 367	61 208
Pelagics	82 448	84 061	79 198
Hake	11 624	7 213	9 542
Squid	6 047	7 111	6 481
Abalone	78 113	73 953	58 051
Cold store	1 038	993	1 372
Seagro	2 312	2 816	1 174
Processing and marketing	20 726	12 985	2 232
Administration and support services	113 337	82 282	61 911
	384 751	**334 781**	**281 169**
Unallocated	64	4 302	2 748
Consolidated total assets	**384 815**	**339 083**	**283 917**

	2016	2015	2014
Segment liabilities			
Lobster	6 421	4 666	2 592
Pelagics	7 625	6 219	6 563
Hake	3 711	1 803	1 995
Squid	371	190	316
Abalone	3 440	3 628	4 476
Processing and marketing	9 969	7 856	5 921
Administration and support services	55 908	50 058	39 136
	87 445	**74 420**	**61 000**
Unallocated	71 889	67 289	61 783
Consolidated total liabilities	**159 334**	**141 709**	**122 783**

For the purposes of monitoring segment performances and resource allocations between segments all assets are allocated to reportable segments other than deferred tax assets. Goodwill is allocated to reportable segments as described in note 4. All liabilities are allocated to reportable segments other than current and deferred tax liabilities.

	Depreciation and amortisation			Additions to property, plant and equipment		
	2016	2015	2014	2016	2015	2014
Segment						
Lobster	6 366	6 094	6 166	2 930	9 902	11 526
Pelagics	4 959	7 137	7 102	2 711	4 762	2 901
Squid	457	469	443	805	223	230
Abalone	1 237	502	342	2 489	8 939	703
Cold storage	77	127	555	234	–	352
Seagro	252	270	571	–	–	–
Processing and marketing	5	49	52	–	–	7
Administration and support services	254	251	263	126	256	269
Total	**13 607**	**14 899**	**15 494**	**9 295**	**24 082**	**15 988**

Geographical information

The Group operates in South Africa.

The Group's revenue from external customers by location of the customers is detailed below:

	2016	2015	2014
United States of America	105 476	92 474	94 559
Far East	111 248	118 070	111 741
Europe	53 587	37 672	33 323
South Africa	131 381	100 658	75 500
Total	**401 692**	**348 874**	**315 123**

Information about major customers

Included in revenue are revenues of approximately R 163 million (2015: R 124 million; 2014: R 121) which arose from sales to the Group's two largest customer. No other single customers contributed 10% or more of the Group's revenue for 2016, 2015 and 2014.

34. DIRECTORS' EMOLUMENTS – 2016

Director	Salary	Bonus	Provident fund	Medical aid contributions	Total
Cherie Felicity Hendricks	748	200	110	59	1 117
Mogamat Samir Saban	1 103	318	120	–	1 541
Jean-Pierre Coetzer	263	–	34	–	297
Total	**2 114**	**518**	**264**	**59**	**2 955**

Directors' emoluments – 2015

Director	Salary	Bonus	Provident fund	Medical aid contributions	Total
Cherie Felicity Hendricks	709	150	103	54	1 016
Mogamat Samir Saban	1 040	279	114	–	1 433
Total	**1 749**	**429**	**217**	**54**	**2 449**

Directors' emoluments – 2014

Director	Salary	Bonus	Provident fund	Medical aid contributions	Total
Cherie Felicity Hendricks	664	100	96	49	909
Mogamat Samir Saban	972	259	106	–	1 337
Total	**1 636**	**359**	**202**	**49**	**2 246**

The directors' emoluments were paid by other group companies.

35. RISK MANAGEMENT

Financial risk management

The group is exposed to a number of financial instrument related risks. The group has trade receivables, cash and cash equivalents and loans receivable which give rise to credit risk and interest rate risk. The group has trade payables, loans payable and other financial liabilities which give rise to liquidity risk and interest rate risk. The group also has trade receivables and cash equivalents denominated in foreign currencies which give rise to foreign exchange risk.

Credit risk

Credit risk is the risk that one counter party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk consists mainly of trade receivables, cash and cash equivalents and loans and other receivables.

Trade receivables are comprised of a widespread customer base. Before any new customer is approved for credit, management requests a thorough credit check to be performed by an external credit agency. The agency provides credit scores and credit ratings on each customer. In addition to that a recommended credit limit is provided by the credit agency. Additional internal ratings and credit limit checklist procedures are performed by management before a final credit limit is approved to our customers. Management also performs ongoing credit evaluations of the financial condition of all customers. On a continuous basis, management monitors the performance of each customer against their credit limit to ensure that no credit limits are exceeded. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The group only deposits cash with major banks that have a good reputation and a high quality credit standing and limits exposure to any one counter-party.

Loans and other receivables are comprised of advances to group companies. The group assesses the trading performance of other group companies before making advances. Advances are made on the strength of the counter party's trading performance and forecast cash flows. Loans and other receivables are carefully monitored for impairment.

Financial assets exposed to credit risk at period end were as follows:

	2016	2015	2014
Loans to group companies	78 396	60 417	35 534
Other financial assets	1 065	1 107	753
Trade and other receivables	32 400	26 861	26 387
Cash and cash equivalents	23 475	4 302	14 466
Total	**135 336**	**92 656**	**77 140**

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The group manages liquidity risk by effectively managing its cash flows and working capital. The group meets its financing requirements through the use of cash generated from operations as well as short term and long term borrowings. The group has sufficient undrawn borrowing facilities which could be utilised to settle obligations.

MATURITY PROFILES

The table below summarises the maturity profile of the financial liabilities of the group and company based on remaining undiscounted contractual obligations.

At 31 August 2016

	Up to 1 year	Between 2 to 5 years	Total
Loans from group companies	1 478	–	1 478
Other financial liabilities	3 280	10 764	14 044
Trade payables	24 680	–	24 680
Total	**29 438**	**10 764**	**40 202**

At 31 August 2015

	Up to 1 year	Between 2 to 5 years	Total
Other financial liabilities	826	3 356	4 182
Trade payables	23 531	–	23 531
Total	**24 357**	**3 356**	**27 713**

At 31 August 2014

	Up to 1 year	Between 2 to 5 years	Total
Other financial liabilities	920	4 732	5 652
Trade payables	20 045	–	20 045
Total	**20 965**	**4 732**	**25 697**

The group has no significant concentration of liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(b) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The group has no significant concentration of interest rate risk.

At 31 August 2016, if interest rates had been 0.5% higher or lower with all other variables held constant, post-tax profit for the year would have been R 255 624 higher or lower, based on average interest rate for the year.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years
Loans from group companies	7.00%	1 478	–	–	–	–
Other financial liabilities – ABSA Revolving loan and Project Finance loan	10.50%	3 120	3 120	2 440	2 440	1 438
Other financial liabilities – ABSA Asset Finance	10.25% to 12.00%	801	647	–	–	–
Other financial liabilities						
Loans to group companies – African Equity	9.50%	826	3 356			
Empowerment Investments Limited – loan 1	15.50%	5 400	5 400	15 000	15 000	15 000
Loans to group companies – African Equity Empowerment Investments Limited – loan 2	12.00%	–	15 907	–	–	–

Foreign exchange risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The group did not hedge against foreign exchange fluctuations during the prior financial year.

At 31 August 2016, if the currency had strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been R 467 053 lower, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables.

Foreign currency exposure at statement of financial position date

	2016	2015	2014
Trade debtors – USD	408	705	979
Trade debtors – EUR	–	3	–
Cash and cash equivalents – USD	–	42	159
Cash and cash equivalents – EUR	–	–	66
Income received in advance – USD	196	9	61
Income received in advance – USD	3	–	1

Exchange rates used for conversation of foreign items were:

	2016	2015	2014
USD	14.44	13.28	10.59
EUR	15.88	14.93	13.95

The group reviews its foreign currency exposure, including commitments on an ongoing basis. There were no foreign exchange contracts at year end to hedge foreign exchange exposure.

Risk arising from biological assets

The group is exposed to financial risks arising from any diseases that may affect the abalone. Sufficient insurance cover is taken out to minimise any losses in the event of the above occurring.

36. FAIR VALUE INFORMATION

Fair value hierarchy

Financial assets, financial liabilities and non-financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and non-financial assets measured at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Levels of fair value measurements

Level 3 – Recurring fair value measurements

	2016	2015	2014
Biological asset			
Abalone	48 169	46 162	36 014

There were no transfers of assets and liabilities between Levels 1, 2 or 3 of the fair value hierarchy.

Reconciliation of assets and liabilities measured at level 3

2016	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
Abalone	46 162	(41 223)	43 230	48 169

2015	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
Abalone	36 014	(31 690)	41 838	46 162

2014	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
Abalone	41 798	(37 528)	31 744	36 014

Gains and losses recognised in profit or loss for Biological assets are included in Cost of sales on the Statement of Comprehensive Income.

Financial instruments measured at cost for which a fair value is disclosed

Financial assets that are not measured at fair value, namely trade and other receivables, cash and cash equivalents, loans receivables and other financial assets are categorised as loans and receivables. It has been concluded that the carrying amount of these assets approximate their fair value. Refer to notes 8, 9, 12 and 14.

Financial liabilities that are not measured at fair value, namely loans, trade and other payables and other financial liabilities are categorised as other financial liabilities. It has been concluded that the carrying amount of these liabilities approximate fair value. Refer to notes 16 and 18.

Information about valuation techniques and inputs used to derive level 3 fair values

Biological assets – Abalone

The value of abalone is calculated by taking into account the selling price of the abalone, less cost associated with the sale. The net sells price less cost to sale is then applied to the total weight of the abalone per size category as at year end with other inputs such as the weight loss of the abalone and the USD foreign currency spot rate. The potential effect of using reasonably possible alternative assumptions in the valuation, based on a change in the most significant input by 1% while holding all other variables constant, is shown in the following table:

	Profit after tax	
	1% increase	1% decrease
Freight	(31)	31
USD spot rate	362	(362)
Processing fees	(15)	(15)

Valuation processes applied by the group

The fair value calculations of Abalone are performed by the group’s finance department and operations team, on a yearly basis. The valuation reports are discussed with the Audit committee in accordance with the group’s reporting policies.

37. CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial instruments – 2016	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
ASSETS						
Non-Current Assets		**78 396**	**–**	**–**	**142 866**	**221 262**
Property, plant and equipment	3	–	–	–	124 596	124 596
Goodwill	4	–	–	–	18 165	18 165
Intangible assets	5	–	–	–	41	41
Loans to group companies	8	78 396	–	–	–	78 396
Deferred tax	9	–	–	–	64	64
Current Assets		**56 981**	**–**	**–**	**106 572**	**163 553**
Inventories	10	–	–	–	42 379	42 379
Other financial assets	11	1 065	–	–	–	1 065
Current tax receivable		–	–	–	154	154
Trade and other receivables	12	32 400	–	–	15 870	48 270
Biological assets	13	–	–	–	48 169	48 169
Cash and cash equivalents	14	23 516	–	–	–	23 516
Total Assets		**135 377**	**–**	**–**	**249 438**	**384 815**
EQUITY AND LIABILITIES						
Equity		**–**	**–**	**–**	**225 481**	**225 481**
Share capital	15	–	–	–	–	–
Reserves		–	–	–	8 014	8 014
Retained income		–	–	–	217 467	217 467
Non-Current Liabilities		**–**	**10 764**	**2 064**	**73 042**	**85 870**
Other financial liabilities	16	–	10 764	–	–	10 764
Operating lease liability		–	–	2 064	–	2 064
Post-employment medical costs	17	–	–	–	1 153	1 153
Deferred tax	9	–	–	–	71 889	71 889
Current Liabilities		**–**	**25 573**	**–**	**47 891**	**73 464**
Loans from group companies	8	–	1 478	–	–	1 478
Other financial liabilities	16	–	3 280	–	–	3 280
Current tax payable		–	–	–	8 119	8 119
Trade and other payables	18	–	20 815	–	32 428	53 243
Provisions	19	–	–	–	7 344	7 344
Total Liabilities		**–**	**36 337**	**2 064**	**120 933**	**159 334**
Total Equity and Liabilities		**–**	**36 337**	**2 064**	**346 414**	**384 815**

Categories of financial instruments – 2015	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
ASSETS						
Non-Current Assets		**60 417**			**152 467**	**212 884**
Property, plant and equipment	3	–	–	–	129 243	129 243
Goodwill	4	–	–	–	18 165	18 165
Intangible assets	5	–	–	–	242	242
Loans to group companies	8	60 417	–	–	–	60 417
Deferred tax	9	–	–	–	4 817	4 817
Current Assets		**32 270**	**–**	**–**	**93 929**	**126 199**
Inventories	10	–	–	–	26 491	26 491
Other financial assets	11	1 107	–	–	–	1 107
Current tax receivable		–	–	–	154	154
Trade and other receivables	12	26 861	–	–	21 122	47 983
Biological assets	13	–	–	–	46 162	46 162
Cash and cash equivalents	14	4 302	–	–	–	4 302
Total Assets		**92 687**	**–**	**–**	**246 396**	**339 083**
EQUITY AND LIABILITIES						
Equity		**–**	**–**	**–**	**197 374**	**197 374**
Share capital	15	–	–	–	–	–
Reserves		–	–	–	8 014	8 014
Retained income		–	–	–	189 360	189 360
Non-Current Liabilities		**–**	**3 356**	**2 192**	**68 617**	**74 165**
Other financial liabilities	16	–	3 356	–	–	3 356
Operating lease liability		–	–	2 192	–	2 192
Post-employment medical costs	17	–	–	–	1 328	1 328
Deferred tax	9	–	–	–	67 289	67 289
Current Liabilities		**–**	**29 684**	**–**	**37 860**	**67 544**
Other financial liabilities	16	–	826	–	–	826
Current tax payable		–	–	–	4 937	4 937
Trade and other payables	18	–	20 129	–	26 242	46 371
Provisions	19	–	–	–	6 681	6 681
Bank overdraft	14	–	8 729	–	–	8 729
Total Liabilities		**–**	**33 040**	**2 192**	**106 477**	**141 709**
Total Equity and Liabilities		**–**	**33 040**	**2 192**	**303 851**	**339 083**

Categories of financial instruments – 2014	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
ASSETS						
Non-Current Assets		**35 534**	**–**	**–**	**142 050**	**177 584**
Property, plant and equipment	3	–	–	–	120 651	120 651
Goodwill	4	–	–	–	18 165	18 165
Intangible assets	5	–	–	–	486	486
Loans to group companies	8	35 534	–	–	–	35 534
Deferred tax	9	–	–	–	2 748	2 748
Current Assets		**35 147**	**–**	**–**	**71 186**	**106 333**
Inventories	10	–	–	–	19 742	19 742
Other financial assets	11	604	–	–	–	604
Current tax receivable		–	–	–	154	154
Trade and other receivables	12	20 048	–	–	15 276	35 324
Biological assets	13	–	–	–	36 014	36 014
Cash and cash equivalents	14	14 495	–	–	–	14 495
Total Assets		**70 681**	**–**	**–**	**213 236**	**283 917**
EQUITY AND LIABILITIES						
Equity		**–**	**–**	**–**	**161 134**	**161 134**
Share capital	15	–	–	–	–	–
Reserves		–	–	–	8 014	8 014
Retained income		–	–	–	153 120	153 120
Non-Current Liabilities		**–**	**4 750**	**1 686**	**63 155**	**69 591**
Other financial liabilities	16	–	4 750	–	–	4 750
Operating lease liability		–	–	1 686	–	1 686
Post-employment medical costs	17	–	–	–	1 372	1 372
Deferred tax	9	–	–	–	61 783	61 783
Current Liabilities		**–**	**26 463**	**–**	**26 729**	**53 192**
Other financial liabilities	16	–	920	–	–	920
Current tax payable		–	–	–	3 661	3 661
Trade and other payables	18	–	25 543	–	16 473	42 016
Provisions	19	–	–	–	6 595	6 595
Total Liabilities		**–**	**31 213**	**1 686**	**89 884**	**122 783**
Total Equity and Liabilities		**–**	**31 213**	**1 686**	**251 018**	**283 917**

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PFF FOR THE YEARS ENDED 31 AUGUST 2016, 31 AUGUST 2015 AND 31 AUGUST 2014

The Directors
African Equity Empowerment Investments Limited
Quay 7, Breakwater Boulevard, East Pier
Victoria and Alfred Waterfront
Cape Town
8001

8 December 2016

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SEKUNJALO INDUSTRIAL HOLDINGS PROPRIETARY LIMITED ("PFF" OR THE "COMPANY") INCLUDED IN THE CIRCULAR

Introduction

We have audited the historical financial information of PFF for the three years ended 31 August 2014, 2015 and 2016, as set out in **Annexure 1** of the circular to be issued on or about 22 December 2016 ("**the Circular**") in compliance with the JSE Limited ("**JSE**") Listings Requirements.

The financial information comprises the statement of financial position as at 31 August 2014, 2015 and 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 month periods ended 31 August 2014, 2015 and 2016, and the notes thereto, comprising a summary of significant accounting policies and other explanatory information.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("**IRBA Code**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Directors' responsibility for the historical financial information

The company's directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial information in accordance with International Financial Reporting Standards. The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express an opinion or conclusion on the historical financial information of PFF, included in the Circular, based on our audit of the financial information of PFF for the years ended 31 August 2014, 2015 and 2016.

This report of historical financial information has been prepared in accordance with and by applying (i) IFRS; (ii) the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council; and (iii) the accounting policies of the Company.

We conducted our audit of the historical financial information of PFF for the three years ended 31 August 2014, 2015 and 2016 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and report the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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

Opinion

In our opinion, the historical financial information of PFF for the three years ended 31 August 2014, 2015 and 2016 presents fairly, in all material respects, for the purposes of the Circular, the financial position of PFF at that date and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report, which will form part of the Circular to the shareholders of AEEI in the form and context in which it appears.

Grant Thornton Cape Incorporated
Practice number 970879-0000
Chartered Accountants (SA)
Registered Auditors

Bernard van der Walt
Partner
Chartered Accountant (SA)
Registered Auditor
6th Floor
123 Hertzog Boulevard Foreshore
Cape Town
8001

PRO FORMA FINANCIAL INFORMATION OF AEEI

In order to assist Shareholders in assessing the Share Issue, AEEI has detailed in the Pro Forma A section below the pro forma financial effects of the Share Issue, should the Share Issue occur at an Issue Price of R5.00 per Share, while the subsequent section (Pro Forma B) of this Annexure 3 reflects the pro forma financial effects of the Share Issue, should it occur at the minimum Issue Price of R4.00 per Share.

PRO FORMA A – SHARE ISSUE AT AN ISSUE PRICE OF R5.00 PER ISSUE SHARE

The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income of AEEI have been prepared for illustrative purposes only to show the financial effects of the Share Issue and because of their nature, may not give a fair reflection of AEEI's financial position, changes in equity and results of operations after the implementation of the Share Issue. The *pro forma* financial information is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on *Pro Forma* Financial information issued by the South African Institute of Chartered Accountants. These *pro forma* financial effects are the responsibility of the Directors.

The *pro forma* financial information has been prepared using the accounting policies of AEEI which comply with IFRS and which are consistent with those applied in the annual financial statements of AEEI for the financial year ended 31 August 2016.

It has been assumed for purposes of *pro forma* financial effects that the Share Issue took place with effect from 1 September 2015 for the statement of comprehensive income purposes and on 31 August 2016 for the statement of financial position purposes and that the Share Issue was fully subscribed for cash.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

The *pro forma* statement of comprehensive income presented below was prepared on the assumption that the Share Issue was implemented on 1 September 2015 at an issue price of R5.00 per Share.

	Audited financial information before Share Issue[1] R'000	*Pro forma* adjustment – Share Issue[3,4] R'000	*Pro forma* financial information after Share Issue[5] R'000
Continuing operations			
Revenue	752 203	–	752 203
Cost of sales	(495 646)	–	(495 646)
Gross profit	**256 557**	**–**	**256 557**
Other income	3 454	–	3 454
Operating expenses	(176 855)	(3 709)	(180 564)
Gain on disposal of subsidiary	1 034	–	1 034
Net impairments and write offs	5 363	–	5 363
Fair value adjustments	194 947	–	194 947
Investment revenue	33 592	–	33 592
Profit from equity accounted investments	242	–	242
Finance costs	(26 232)	–	(26 232)
Profit before tax	**292 102**	**(3 709)**	**288 393**
Taxation	(80 538)	–	(80 538)
Profit from continuing operations	**211 564**	**(3 709)**	**207 855**
Discontinued operations	(3 037)	–	(3 037)
Profit for the year	**208 527**	**(3 709)**	**204 818**
Total comprehensive income for the year	**208 527**	**(3 709)**	**204 818**
Attributable to:			
Owners of the parent			
– Continuing operations	219 660	(27 425)	192 235
– Discontinued operations	(3 037)	–	(3 037)
Profit for the year attributable to equity owners of the parent	**216 623**	**(27 425)**	**189 198**

	Audited financial information before Share Issue[1] R'000	*Pro forma* adjustment – Share Issue[3,4] R'000	*Pro forma* financial information after Share Issue[5] R'000
Non–controlling interest:			
– Non–controlling interest – continuing operations	(8 096)	23 716	15 620
– Non–controlling interest – discontinued operations	–	–	–
	(8 096)	**23 716**	**15 620**
Total comprehensive income for the year	**208 527**	**(3 709)**	**204 818**
Basic and diluted earnings per share (cents)[6]	**44,09**	**(5,58)**	**38,51**
– Continuing operations	44,71	(5,58)	39,13
– Discontinued operations	(0,62)	–	(0,62)

	Audited financial information before Share Issue[1]		*Pro forma* adjustment – Share Issue[3,4]		*Pro forma* financial information after Share Issue[5,6]	
	Gross	Net	Gross	Net	Gross	Net
Reconciliation of headline earnings						
Profit for the year attributable to equity owners of the parent from:						
Continued operations		**219 660**		**(27 425)**		**192 235**
Discontinued operations		**(3 037)**		**–**		**(3 037)**
Adjusted for:						
Impairment of intangible assets	(6 066)	(4 368)	–	–	(6 066)	(4 368)
Gain on disposal of subsidiary	(1 034)	(744)	–	–	(1 034)	(744)
Loss on disposal of property, plant and equipment	582	419	–	–	582	419
Headline earnings		**211 930**		**(27 425)**		**184 505**

Notes

– PFF will list on the JSE and issue 127 400 000 shares to the public resulting in the dilution of AEEI's shareholding from 100% to 51%;

– AEEI will retain control of PFF in accordance with IFRS 10 - Consolidated Financial Statements

1. The audited financial information before the Share Issue was extracted without adjustments from the audited financial statements of AEEI for the year ended 31 August 2016 that was prepared in accordance with IFRS.
2. The shares will be issued by PFF (a subsidiary) therefore there will be no change in the issued shares of AEEI.
3. It is assumed that transaction costs for the listing will amount to R14,7 million. R11 million of the estimated transaction costs relates to fees for the placement of shares and has been assumed to be directly attributable Share Issue expenses which are recognised in equity in accordance with IAS 32 - Financial Instruments: Presentation. These are offset against share capital in PFF. The remaining R3,7 million is an estimate of advisory and professional fees and it has been assumed that these are not directly attributable Share Issue expenses. These expenses have been recognised in the statement of comprehensive income. It has been assumed that the transaction costs are not tax deductible. The adjustment for transaction costs is not expected to have a continuing effect.
4. The dilution of AEEI's shareholding will result in an increase in non-controlling interest. 49% of PFF's profits for the year, after taking into account the Share Issue costs for the year ended 31 August 2016, have been allocated to non-controlling interests. This amount is calculated to be R23,7 million.
5. The *pro forma* financial information after the Share Issue column is based on the assumption that the Share Issue was implemented on 1 September 2015.
6. The earnings per share and headline earnings per share figures are calculated based on the weighted average number of shares in issue at 31 August 2016. The diluted earnings per share and diluted headline earnings per share are calculated based on the weighted average number of shares in issue at 31 August 2016.
7. There are no rights or options that exist and therefore there are no dilutionary instruments in issue.
8. It is assumed that the funds received will be used for expansion projects. If the funds received were invested in a current account at an interest rate of 5,5% per annum the interest income would have been R34 million per annum. Taxation expense at 28% of the interest income would have been R9,5 million.
9. It has been assumed that there is no other income on the proceeds of the Share Issue.
10. An employee incentive scheme will be set up after the listing of PFF. No transactions with employees have occurred nor has PFF or any of its subsidiaries issued shares to employees. In light of this, IFRS 2 – Share based Payment, has not been applied to the incentives that will be given to employees in the future because there is no indication of how many Shares will be issued to employees nor what the terms of such issues will be.
11. The tax rate is assumed to be 28%.

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

The *pro forma* statement of financial position presented below was prepared on the assumption that the Share Issue was implemented on 31 August 2016 at an issue price of R5.00 per Share.

	Audited financial information before Share Issue[1] R'000	*Pro forma* adjustment – Share Issue[3,4] R'000	*Pro forma* financial information after Share Issue[5] R'000
Assets			
Non-Current assets			
Property, plant and equipment	147 086	–	147 086
Goodwill	56 832	–	56 832
Intangible assets	338 640	–	338 640
Investments in associate	169	–	169
Investments in joint ventures	115	–	115
Other loans receivable	9 496	–	9 496
Other financial assets	856 571	–	856 571
Deferred tax	17 310	–	17 310
Prepayments	1 800	–	1 800
	1 428 019	**–**	**1 428 019**
Current assets			
Inventories	45 439	–	45 439
Other loans receivable	6 805	–	6 805
Current tax receivables	1 465	–	1 465
Trade and other receivables	96 482	–	96 482
Biological assets	48 169	–	48 169
Cash and cash equivalents	64 840	622 291	687 131
	263 200	**622 291**	**885 491**
Total assets	**1 691 219**	**622 291**	**2 313 510**
Equity			
Equity attributable to equity holders of the parent			
Share capital	403 177	–	403 177
Reserves	8 034	–	8 034
Retained income	505 241	211 643	716 884
	916 452	**211 643**	**1 128 095**
Non-controlling interest	84 583	410 648	495 231
	1 001 035	**622 291**	**1 623 326**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	253 004	–	253 004
Finance lease obligation	117	–	117
Operating lease liabilities	2 855	–	2 855
Deferred tax	299 102	–	299 102
Provisions	4 930	–	4 930
	560 008	**–**	**560 008**
Current liabilities			
Provisions	23 390	–	23 390
Current tax payable	9 906	–	9 906
Trade and other payables	74 262	–	74 262
Other financial liabilities	12 587	–	12 587
Finance lease obligation	225	–	225
Operating lease liabilities	35	–	35
Bank overdraft	9 771	–	9 771
	130 176	**–**	**130 176**
Total liabilities	**690 184**	**–**	**690 184**
Total equity and liabilities	**1 691 219**	**622 291**	**2 313 510**
Net asset value per share (cents)	186,52	43,07	229,59
Net tangible asset value per share (cents)	102,51	43,07	145,58
Number of shares in issue[2]	491 339	491 339	491 339
Weighted average number of shares in issue	491 339	491 339	491 339

NOTES

- PFF will list on the JSE and issue 127 400 000 shares to the public resulting in the dilution of AEEI's shareholding from 100% to 51%;
- AEEI will retain control of PFF in accordance with IFRS 10 - Consolidated Financial Statements

1. The audited financial information before Share Issue was extracted without adjustments from the audited financial statements of AEEI for the year ended 31 August 2016 that was prepared in accordance with IFRS.
2. The shares will be issued by PFF (a subsidiary) therefore there will be no change in the issued shares of AEEI.
3. It is assumed that 127 400 000 PFF shares will be issued for R5.00 per share. It is assumed that the Share Issue by PFF will be fully subscribed resulting in a cash inflow of R637 million to the group.
   a. The estimated transaction costs for the listing will amount to R14,7 million, resulting in a net cash inflow of R622,3 million. R11 million of the estimated transaction costs relates to fees for the placement of shares and has been assumed to be directly attributable Share Issue expenses which are recognised in equity in accordance with IAS 32 - Financial Instruments: Presentation. These are offset against share capital in PFF.
   b. The remaining R3,7 million is an estimate of advisory and professional fees and it has been assumed that these are not directly attributable Share Issue expenses. These expenses have been recognised in the statement of comprehensive income. It has been assumed that the transaction costs are not tax deductible.
4. The dilution of AEEI's shareholding will result in an increase in non-controlling interest. 49% of the net asset value of PFF at 31 August 2016 amounting to R392,3 million has been allocated to non-controlling interests.
   a. 49% of PFF's profits for the year, after taking into account the Share Issue costs for the year ended 31 August 2016, have been allocated to non-controlling interests. This amount is calculated to be R23,7 million.
   b. 49% of the capitalised share placement costs of R11 million has also been allocated to non-controlling interest, the calculated amount is R5,4 million.
   c. The allocated amount on the net asset value of PFF plus profits after Share Issue costs less the share placement costs amounts to a total of R410,6 million for non-controlling interest.
5. The *pro forma* financial information after Share Issue column is based on the assumption that the Share Issue was implemented on 31 August 2016.
6. The net asset value per share and tangible net asset value per share figures are calculated based on the weighted average number of shares in issue at 31 August 2016, being 491 million shares.
7. It is assumed that the funds received will be used for expansion projects. If the funds received were invested in a current account at an interest rate of 5,5% per annum the interest income would have been R34 million. Taxation expense and the tax liability at 28% of the interest income would have been R9,5 million.
8. It has been assumed that there is no other income on the proceeds of the Share Issue.
9. An employee incentive scheme will be set up after the listing of Premier Food and Fishing Limited. No transactions with employees have occurred nor has Premier Food and Fishing Limited or any of its subsidiaries issued shares to employees. In light of this, IFRS 2 – Share based Payment, has not been applied to the incentives that will be given to employees in the future because there is no indication of how many Shares will be issued to employees nor what the terms of such issues will be.
10. The tax rate is assumed to be 28%.

PRO FORMA B – SHARE ISSUE AT AN ISSUE PRICE OF R4.00 PER ISSUE SHARE

The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income of AEEI have been prepared for illustrative purposes only to show the financial effects of the Share Issue and because of their nature, may not give a fair reflection of AEEI's financial position, changes in equity and results of operations after the implementation of the Share Issue. The *pro forma* financial information is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on Pro Forma Financial information issued by the South African Institute of Chartered Accountants. These *pro forma* financial effects are the responsibility of the Directors.

The *pro forma* financial information has been prepared using the accounting policies of AEEI which comply with IFRS and which are consistent with those applied in the annual financial statements of AEEI for the financial year ended 31 August 2016.

It has been assumed for purposes of *pro forma* financial effects that the Share Issue took place with effect from 1 September 2015 for the statement of comprehensive income purposes and on 31 August 2016 for the statement of financial position purposes and that the Share Issue was fully subscribed for cash.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

The *pro forma* statement of comprehensive income presented below was prepared on the assumption that the Share Issue was implemented on 1 September 2015 at an issue price of R4.00 per Share

	Audited financial information before Share Issue[1] R'000	*Pro forma* adjustment – Share Issue[3,4] R'000	*Pro forma* financial information after Share Issue[5] R'000
Continuing operations			
Revenue	752 203	–	752 203
Cost of sales	(495 646)	–	(495 646)
Gross profit	**256 557**	**–**	**256 557**
Other income	3 454	–	3 454
Operating expenses	(176 855)	(3 709)	(180 564)
Gain on disposal of subsidiary	1 034	–	1 034
Net impairments and write offs	5 363	–	5 363
Fair value adjustments	194 947	–	194 947
Investment revenue	33 592	–	33 592
Profit from equity accounted investments	242	–	242
Finance costs	(26 232)	–	(26 232)
Profit before tax	**292 102**	**(3 709)**	**288 393**
Taxation	(80 538)	–	(80 538)
Profit from continuing operations	**211 564**	**(3 709)**	**207 855**
Discontinued operations	(3 037)	–	(3 037)
Profit for the year	**208 527**	**(3 709)**	**204 818**
Total comprehensive income for the year	**208 527**	**(3 709)**	**204 818**
Attributable to:			
Owners of the parent			
– Continuing operations	219 660	(27 425)	192 235
– Discontinued operations	(3 037)	–	(3 037)
Profit for the year attributable to equity owners of the parent	**216 623**	**(27 425)**	**189 198**
Non–controlling interest:			
– Non–controlling interest – continuing operations	(8 096)	23 716	15 620
– Non–controlling interest – discontinued operations	–	–	–
	(8 096)	**23 716**	**15 620**
Total comprehensive income for the year	**208 527**	**(3 709)**	**204 818**
Basic and diluted earnings per share (cents)[6]	**44,09**	**(5,58)**	**38,51**
– Continuing operations	44,71	(5,58)	39,13
– Discontinued operations	(0,62)	–	(0,62)

	Audited financial information before Share Issue[1] R'000	*Pro forma* adjustment – Share Issue[3,4] R'000	*Pro forma* financial information after Share Issue[5] R'000
NOTES			
Weighted average number of shares in issue[2]			
Basic and diluted	491 339	491 339	491 339
Headline earnings per share (cents)[8]	**43,13**	**(5,58)**	**37,55**
Continuing operations	43,75	(5,58)	38,17
Discontinued operations	(0,62)	–	(0,62)

	Audited financial information before Share Issue[1]		*Pro forma* adjustment – Share Issue[3,4,5]		*Pro forma* financial information after Share Issue[6]	
	Gross	Net	Gross	Net	Gross	Net
Reconciliation of headline earnings						
Profit for the year attributable to equity owners of the parent from:						
Continued operations		**219 660**		**(27 425)**		**192 235**
Discontinued operations		**(3 037)**		**–**		**(3 037)**
Adjusted for:						
Impairment of intangible assets	(6 066)	(4 368)	–	–	(6 066)	(4 368)
Gain on disposal of subsidiary	(1 034)	(744)	–	–	(1 034)	(744)
Loss on disposal of property, plant and equipment	582	419	–	–	582	419
Headline earnings		**211 930**		**(27 425)**		**184 505**

Notes

- PFF will list on the JSE and issue 127 400 000 shares to the public resulting in the dilution of AEEI's shareholding from 100% to 51%;
- AEEI will retain control of PFF in accordance with IFRS 10 – Consolidated Financial Statements

1. The audited financial information before the Share Issue was extracted without adjustments from the audited financial statements of AEEI for the year ended 31 August 2016 that was prepared in accordance with IFRS.
2. The shares will be issued by PFF (a subsidiary) therefore there will be no change in the issued shares of AEEI.
3. It is assumed that transaction costs for the listing will amount to R12,7 million. R9 million of the estimated transaction costs relates to fees for the placement of shares and has been assumed to be directly attributable Share Issue expenses which are recognised in equity in accordance with IAS 32 – Financial Instruments: Presentation. These are offset against share capital in PFF. The remaining R3,7 million is an estimate of advisory and professional fees and it has been assumed that these are not directly attributable Share Issue expenses. These expenses have been recognised in the statement of comprehensive income. It has been assumed that the transaction costs are not tax deductible. The adjustment for transaction costs is not expected to have a continuing effect.
4. The dilution of AEEI's shareholding will result in an increase in non-controlling interest. 49% of PFF's profits for the year, after taking into account the Share Issue costs for the year ended 31 August 2016, have been allocated to non-controlling interests. This amount is calculated to be R23,7 million.
5. The *pro forma* financial information after the Share Issue column is based on the assumption that the Share Issue was implemented on 1 September 2015.
6. The earnings per share and headline earnings per share figures are calculated based on the weighted average number of shares in issue at 31 August 2016. The diluted earnings per share and diluted headline earnings per share are calculated based on the weighted average number of shares in issue at 31 August 2016.
7. There are no rights or options that exist and therefore there are no dilutionary instruments in issue.
8. It is assumed that the funds received will be used for expansion projects. If the funds received were invested in a current account at an interest rate of 5,5% per annum the interest income would have been R27 million per annum. Taxation expense at 28% of the interest income would have been R7,6 million.
9. It has been assumed that there is no other income on the proceeds of the Share Issue.
10. An employee incentive scheme will be set up after the listing of PFF. No transactions with employees have occurred nor has PFF or any of its subsidiaries issued shares to employees. In light of this, IFRS 2 – Share based Payment, has not been applied to the incentives that will be given to employees in the future because there is no indication of how many Shares will be issued to employees nor what the terms of such issues will be.
11. The tax rate is assumed to be 28%.

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

The *pro forma* statement of financial position presented below was prepared on the assumption that the Share Issue was implemented on 31 August 2016 at an issue price of R4.00 per Share.

	Audited financial information before Share Issue[1] R'000	*Pro forma* adjustment – Share Issue[3,4] R'000	*Pro forma* financial information after Share Issue[5] R'000
Assets			
Non-Current assets			
Property, plant and equipment	147 086	–	147 086
Goodwill	56 832	–	56 832
Intangible assets	338 640	–	338 640
Investments in associate	169	–	169
Investments in joint ventures	115	–	115
Other loans receivable	9 496	–	9 496
Other financial assets	856 571	–	856 571
Deferred tax	17 310	–	17 310
Prepayments	1 800	–	1 800
	1 428 019	**–**	**1 428 019**
Current assets			
Inventories	45 439	–	45 439
Other loans receivable	6 805	–	6 805
Current tax receivables	1 465	–	1 465
Trade and other receivables	96 482	–	96 482
Biological assets	48 169	–	48 169
Cash and cash equivalents	64 840	496 891	561 731
	263 200	**496 891**	**760 091**
Total assets	**1 691 219**	**496 891**	**2 188 110**
Equity			
Equity attributable to equity holders of the parent			
Share capital	403 177	–	403 177
Reserves	8 034	–	8 034
Retained income	505 241	85 263	590 504
	916 452	**85 263**	**1 001 715**
Non-controlling interest	84 583	411 628	496 211
	1 001 035	**496 891**	**1 497 926**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	253 004	–	253 004
Finance lease obligation	117	–	117
Operating lease liabilities	2 855	–	2 855
Deferred tax	299 102	–	299 102
Provisions	4 930	–	4 930
	560 008	**–**	**560 008**
Current liabilities			
Provisions	23 390	–	23 390
Current tax payable	9 906	–	9 906
Trade and other payables	74 262	–	74 262
Other financial liabilities	12 587	–	12 587
Finance lease obligation	225	–	225
Operating lease liabilities	35	–	35
Bank overdraft	9 771	–	9 771
	130 176	**–**	**130 176**
Total liabilities	**690 184**	**–**	**690 184**
Total equity and liabilities	**1 691 219**	**496 891**	**2 188 110**
Net asset value per share (cents)	186,52	17,35	203,87
Net tangible asset value per share (cents)	102,51	17,35	119,86
Number of shares in issue[2]	491 339	491 339	491 339
Weighted average number of shares in issue	491 339	491 339	491 339

NOTES

- PFF will list on the JSE and issue 127 400 000 shares to the public resulting in the dilution of AEEI's shareholding from 100% to 51%;
- AEEI will retain control of PFF in accordance with IFRS 10 – Consolidated Financial Statements

1. The audited financial information before Share Issue was extracted without adjustments from the audited financial statements of AEEI for the year ended 31 August 2016 that was prepared in accordance with IFRS.
2. The shares will be issued by PFF (a subsidiary) therefore there will be no change in the issued shares of AEEI.
3. It is assumed that 127 400 000 PFF shares will be issued for R4.00 per share. It is assumed that the Share Issue by PFF will be fully subscribed resulting in a cash inflow of R509,6 million to the group.
   a. The estimated transaction costs for the listing will amount to R12,7 million, resulting in a net cash inflow of R496,9 million. R9 million of the estimated transaction costs relates to fees for the placement of shares and has been assumed to be directly attributable Share Issue expenses which are recognised in equity in accordance with IAS 32 - Financial Instruments: Presentation. These are offset against share capital in PFF.
   b. The remaining R3,7 million is an estimate of advisory and professional fees and it has been assumed that these are not directly attributable Share Issue expenses. These expenses have been recognised in the statement of comprehensive income. It has been assumed that the transaction costs are not tax deductible.
4. The dilution of AEEI's shareholding will result in an increase in non-controlling interest. 49% of the net asset value of PFF at 31 August 2016 amounting to R392,3 million has been allocated to non-controlling interests.
   a. 49% of PFF's profits for the year, after taking into account the Share Issue costs for the year ended 31 August 2016, have been allocated to non-controlling interests. This amount is calculated to be R23,7 million.
   b. 49% of the capitalised share placement costs of R9 million has also been allocated to non-controlling interest, the calculated amount is R4,4 million.
   c. The allocated amount on the net asset value of PFF plus profits after Share Issue costs less the share placement costs amounts to a total of R411,6 million for non-controlling interest.
5. The *pro forma* financial information after Share Issue column is based on the assumption that the Share Issue was implemented on 31 August 2016.
6. The net asset value per share and tangible net asset value per share figures are calculated based on the weighted average number of shares in issue at 31 August 2016, being 491 million shares.
7. It is assumed that the funds received will be used for expansion projects. If the funds received were invested in a current account at an interest rate of 5,5% per annum the interest income would have been R27 million. Taxation expense and the tax liability at 28% of the interest income would have been R7,6 million.
8. It has been assumed that there is no other income on the proceeds of the Share Issue.
9. An employee incentive scheme will be set up after the listing of Premier Food and Fishing Limited. No transactions with employees have occurred nor has Premier Food and Fishing Limited or any of its subsidiaries issued shares to employees. In light of this, IFRS 2 – Share based Payment, has not been applied to the incentives that will be given to employees in the future because there is no indication of how many Shares will be issued to employees nor what the terms of such issues will be.
10. The tax rate is assumed to be 28%.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF AEEI

The Directors
African Equity Empowerment Investments Limited
Quay 7, Breakwater Boulevard, East Pier
Victoria and Alfred Waterfront
Cape Town
8001

8 December 2016

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED ("AEEI" OR THE "COMPANY")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of AEEI by its directors ("**Directors**"). The *pro forma* financial information as set out in **Annexure 3** of the circular ("**Circular**") comprises of two sets of *pro forma* financial information, *Pro Forma* A and *Pro Forma* B (the "*pro forma* financial information"). *Pro Forma* A and *Pro Forma* B each consist of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate actions, described in **Annexure 3**, on the AEEI group's financial position as at 31 August 2016, and the company's financial performance for the period then ended, as if the corporate actions had taken place at 31 August 2016 for purposes of the *pro forma* statement of financial position and at 01 September 2015 for the purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the AEEI group's financial position and financial performance has been extracted by the directors from the company's published financial statements for the 12 months ended 31 August 2016, on which an auditor's report was issued on 26 October 2016.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("**IRBA Code**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3**.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("**ISAE**") 3420: *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus.* This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 3**.

Consent

This report on the unaudited *pro forma* financial information is included solely for the information of the AEEI shareholders. We consent to the inclusion of our report on the *pro forma* statement of financial position and the references thereto, in the form and context in which they appear.

Grant Thornton Cape Incorporated
Practice number 970879-0000
Chartered Accountants (SA)
Registered Auditors

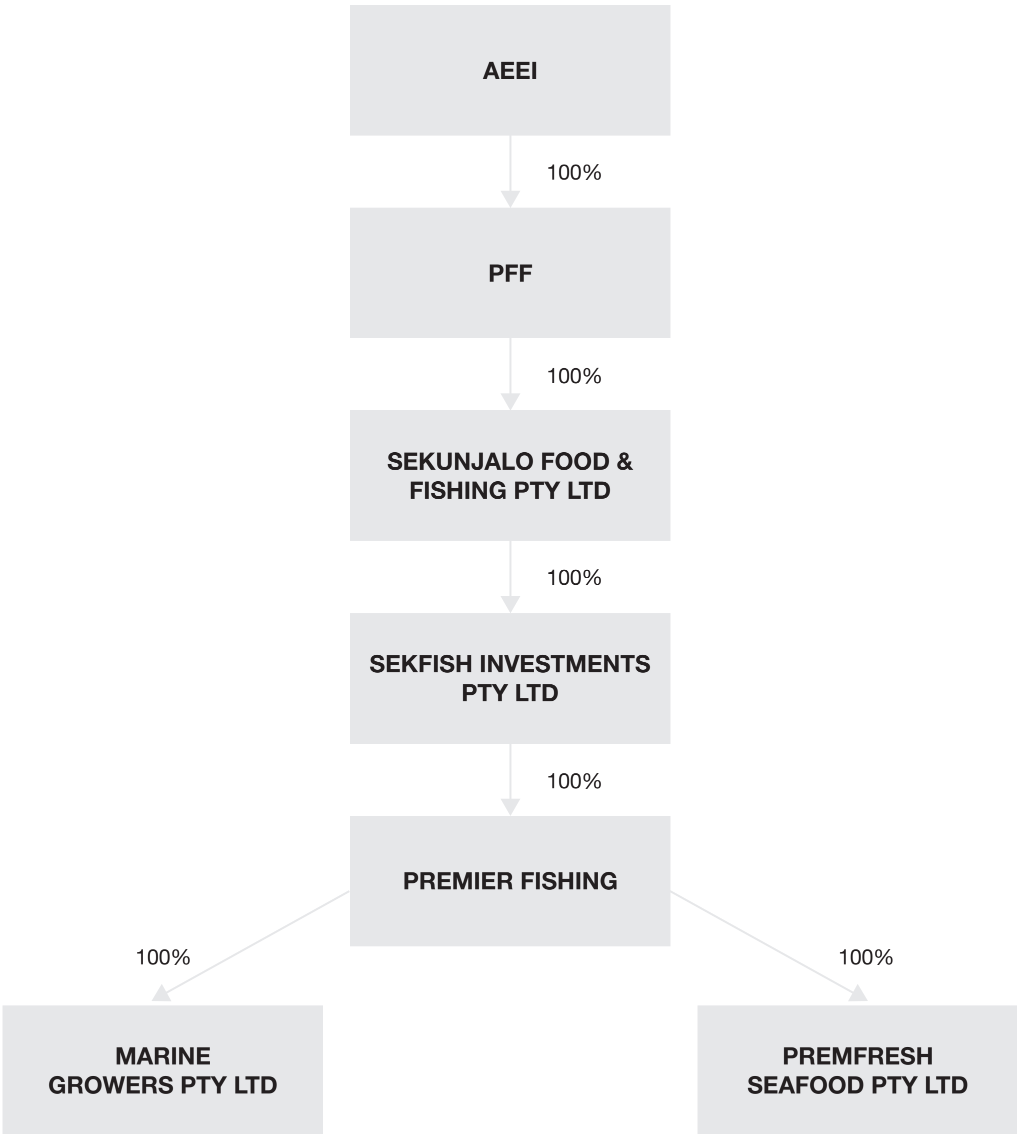
Bernard van der Walt
Partner
Chartered Accountant (SA)
Registered Auditor
6th Floor
123 Hertzog Boulevard Foreshore
Cape Town
8001

CURRENT STRUCTURE OF PFF

The businesses of the AEEI Group are housed in 5 divisions, namely:

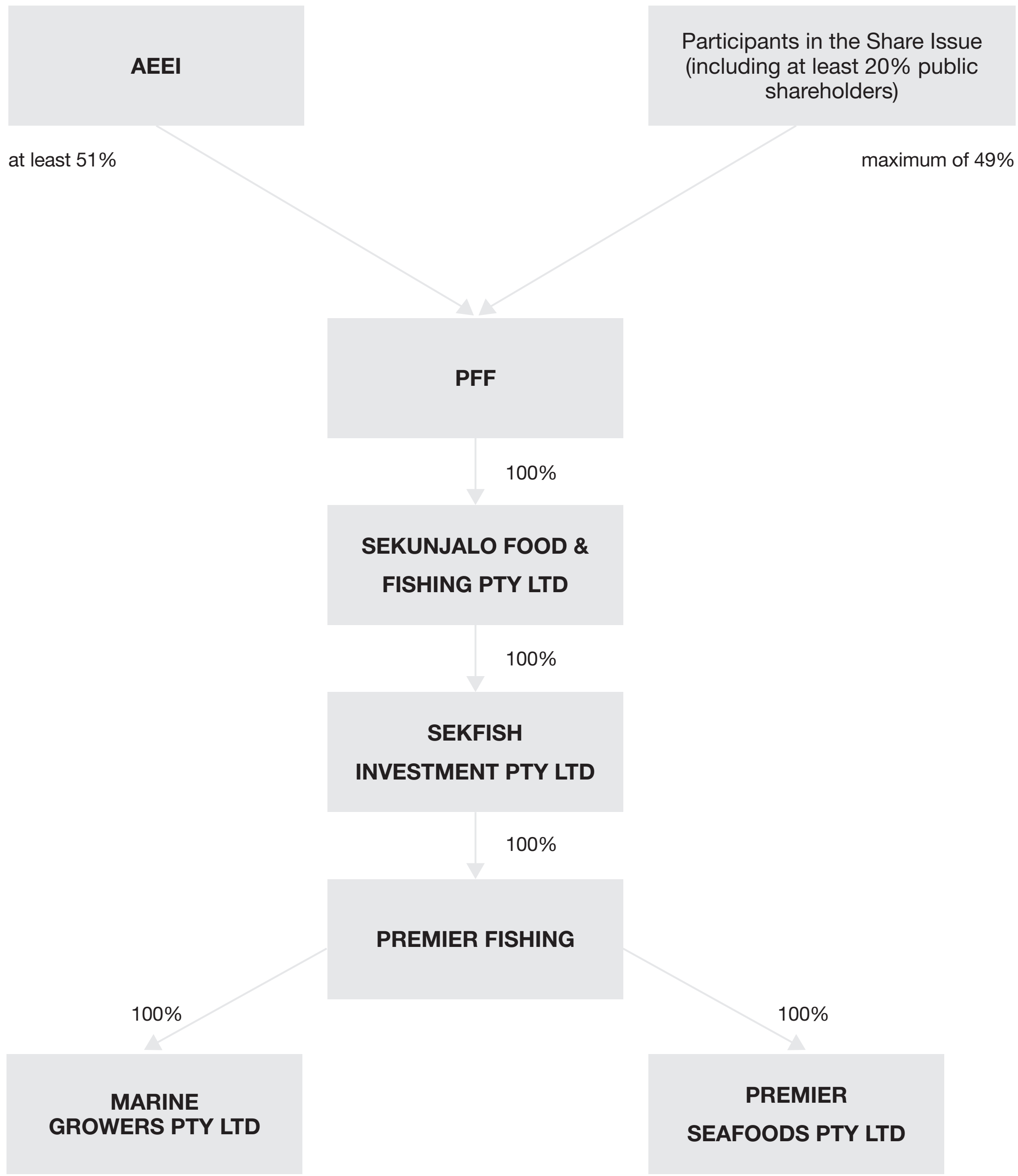
- food and fishing;
- technology;
- health and therapeutics;
- events and tourism; and
- strategic investments.

PFF falls in the Group's food and fishing division and is currently held as follows:



STRUCTURE OF PFF FOLLOWING THE SHARE ISSUE

Upon implementation of the Share Issue, AEEI's shareholding in PFF will be held as follows:



MATERIAL BORROWINGS

Material borrowings of PFF are disclosed in the table below:

Finance Institution (Lender)	Group entity applicable (Borrower)	Nature of loan and how it arose	Amount, terms and conditions of repayment	Rate of interest p.a.	Security provided	Conversion or redemption rights	Short-term capital repayments (within 12 months) and how same are to be financed
ABSA Bank Ltd	PFF	Project finance	Amount: R11 183 333 The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R203 333 ending on 31 March 2021.	10.5%	AEEI has provided a limited guarantee for the loan to ABSA Bank Ltd.	N/A	N/A
AEEI	PFF	Intergroup loan	Amount: R62 092 132 No fixed date of repayment.	15.5%	N/A	N/A	N/A
AEEI	PFF	Intergroup loan	Amount: R15 907 176 No fixed date of repayment.	12.0%	N/A	N/A	N/A

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1996/006093/06)
Share code: AEE, ISIN: ZAE000195731
("**AEEI**" or "**the Company**")

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of AEEI Shareholders will be held at 10:00 on Tuesday, 24 January 2017 at AEEI's head office, at Premier Fishing, Quay 7, Breakwater Boulevard, East Pier, Victoria & Alfred Waterfront, Cape Town.

Purpose

The purpose of the General Meeting is to consider and, if deemed fit, to approve, with or without modification, the resolutions set out in this Notice of General Meeting.

Notes:

– *The definitions and interpretations commencing on page 4 of the circular to which this Notice of General Meeting is attached ("**the Circular**"), apply mutatis mutandis to this notice and to the resolutions set out below.*
– *For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.*

1. ORDINARY RESOLUTION NUMBER 1 – AUTHORITY TO IMPLEMENT THE SHARE ISSUE

RESOLVED AS AN ORDINARY RESOLUTION, in terms of the JSE Listings Requirements, **THAT** the issue by the Company's subsidiary, PFF, of the Issue Shares to new or existing investors at a price per share of not less than R4.00 per Issue Share and on the terms detailed in the Circular, be and is hereby authorised, such Share Issue to occur in conjunction with the Listing of PFF on the JSE.

The reason for Ordinary Resolution Number 1 is that, in terms of the JSE Listings Requirements, the Share Issue by PFF constitutes a category 1 disposal by AEEI and, accordingly, requires the approval of Shareholders. The effect of Ordinary Resolution Number 1, if passed, will be to grant the necessary approval to the Share Issue in terms of the JSE Listing Requirements.

2. ORDINARY RESOLUTION NUMBER 2 – AUTHORITY OF DIRECTORS

IT IS RESOLVED THAT any Director of the Company be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to Ordinary Resolution Number 1, hereby ratifying and confirming all such things already done and documentation already signed.

VOTING AND PROXIES

The date on which Shareholders must be recorded in the Register for purposes of being entitled to receive this Notice of General Meeting is Thursday, 15 December 2016.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting, is Friday, 13 January 2017. The last day to trade in order to be entitled to attend and vote at the General Meeting, is Tuesday, 10 January 2017.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of Certificated Shareholders and Dematerialised Shareholders with "own-name" registration, a form of proxy (*grey*) is attached hereto. Completion of a form of proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

Duly completed forms of proxy and the authority (if any) under which they are signed must reach the Transfer Secretaries of the Company at the address given below by not later than 10:00 on Friday, 20 January 2017.

Dematerialised Shareholders without "own-name" registration who wish to attend the General Meeting in person should request their CSDP or broker to provide them with the necessary letter of representation in terms of their custody agreement with their CSDP or broker. Dematerialised Shareholders without "own-name" registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or broker of their voting instructions. Dematerialised Shareholders without "own-name" registration should contact their CSDP or broker with regard to the cut-off time for their voting instructions.

ELECTRONIC PARTICIPATION IN THE GENERAL MEETING

Shareholders or their proxies may participate in the General Meeting by way of telephone conference call. A total of 7 telecommunication lines will be available for such participation. Shareholders or their proxies who wish to participate in the General Meeting via the teleconference facility must follow the instructions contained in the form entitled "*Application for electronic participation at the General Meeting*" that is attached to the Circular. Shareholders who wish to participate in the General Meeting via the teleconference facility must note that they will not be able to vote during the General Meeting.

SIGNED AT CAPE TOWN ON 20 DECEMBER 2016 ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

By order of the Board

K ABDULLA

Chief Executive Officer

Registered Office
Quay 7, Breakwater Boulevard, East Pier
Victoria and Alfred Waterfront
Cape Town, 8001
(PO Box 181, Cape Town, 8000)

Transfer secretaries
Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1996/006093/06)
Share code: AEE, ISIN: ZAE000195731
("**AEEI**" or "**the Company**")

APPLICATION FOR ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

*The definitions and interpretations commencing on page 4 of the circular to which this Application for Electronic Participation at the General Meeting is attached ("**the Circular**"), apply mutatis mutandis to this form.*

1. Shareholders or their proxies who wish to participate in the General Meeting via electronic communication ("**Participants**"), must apply to the Transfer Secretaries to do so by delivering the form below ("**the Application**") to the offices of the Transfer Secretaries, Link Market Services, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, by no later than 10:00 on 17 January 2017. The application may also be posted, at the risk of the Participant, to Link Market Services, PO Box 4844, Johannesburg, 2000, so as to be received by the Transfer Secretaries by no later than the time and date set out above.

2. Participants must note that they will not be able to vote during the General Meeting. Such Participants, should they wish to have their vote(s) counted at the General Meeting, must act in accordance with the voting instructions contained in the notice of the General Meeting attached to the Circular, i.e. to the extent applicable:

   (i) complete the form of proxy; or
   (ii) contact their CSDP or broker.

3. Important notice

   3.1 A total of 7 telecommunication lines will be available.

   3.2 Each Participant will be contacted between 19 January 2017 and 20 January 2017, via email and/or SMS with a code and the relevant telephone number to allow them to dial in.

   3.3 The cost of the Participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.

   3.4 The cut-off time to participate in the meeting will be 10:00 on 24 January 2017. No late dial-in will be accommodated.

THE APPLICATION FORM

Full name of the Shareholder	
Identity number	
Email address	
Cell number	
Telephone number	
Name of CSDP or Broker (if Shares are held in Dematerialised format)	
Contact number of CSDP/Broker	
Contact person at CSDP/Broker	
Number of share certificate (if applicable)	

TERMS AND CONDITIONS FOR PARTICIPATION AT THE GENERAL MEETING VIA ELECTRONIC COMMUNICATION

1. The cost of dialing in using a telecommunication line to participate in the General Meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.

2. The Participant acknowledges that the telecommunication lines are provided by a third party and hereby indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the General Meeting.

3. Participants must note that they will not be able to vote during the General Meeting. Such Participants, should they wish to have their vote(s) counted at the General Meeting, must act in accordance with the voting instructions contained in the notice of General Meeting, i.e. to the extent applicable: (i) complete the form of proxy; or (ii) contact their CSDP or broker.

4. The application will only be deemed successful if this application form has been completed, fully signed by the Participant and delivered to the offices of the Transfer Secretaries in the manner contemplated herein.

Shareholder name: ______________________________

Signature: ______________________________

Date: ______________________________

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1996/006093/06)
Share code: AEE, ISIN: ZAE000195731
("**AEEI**" or "**the Company**")

FORM OF PROXY

ONLY FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION

For use by Shareholders at the General Meeting of AEEI Shareholders to be held at 10:00 on Tuesday, 24 January 2017 at AEEI's head office, at Premier Fishing, Quay 7, Breakwater Boulevard, East Pier, Victoria & Alfred Waterfront, Cape Town, or any adjourned or postponed meeting.

*The definitions and interpretations commencing on page 4 of the circular to which this form of proxy is attached (**"the Circular"**) apply mutatis mutandis to this form of proxy.*

If you are a Dematerialised Shareholder without "own-name" registration you must not complete this form of proxy but must instruct your CSDP or broker as to how you wish to vote. This must be done in terms of the custody agreement between you and your CSDP or broker.

I/We (Please PRINT names in full) ____

of (address) ____

telephone numbers: Landline ______________________ Mobile ______________________

E-mail address ____

being the holder(s) of ______________________ Certificated Shares or Dematerialised Shares with "own-name" registration

do hereby appoint (see notes 1 and 2):

1. ____ or failing him/her,

2. ____ or failing him/her,

3. the Chairman of the General Meeting

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	For*	Against*	Abstain*
Ordinary Resolution Number 1 Authority to implement the Share Issue			
Ordinary Resolution Number 2 Authority of Directors			

* *One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the form of proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*

Signed at: ______________________ on ______________________ 2017

Signature ____

Capacity of signatory (where applicable) ____

Note: Authority of signatory to be attached – see notes 8 and 9. ______________________

Telephone number ____

Cellphone number ____

Assisted by me (where applicable) ____

Full name ____

Capacity ____

Signature ____

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *A Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a Shareholders' meeting on behalf of such Shareholder.*
- *A Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the Shareholder.*
- *A proxy may delegate his authority to act on behalf of a Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.*
- *Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any of such Shareholder's rights as a Shareholder.*
- *Any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.*
- *If an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.*
- *A proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.*
- *If the instrument appointing a proxy or proxies has been delivered by a Shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a Shareholder must be delivered by such company to:*
  - *the relevant Shareholder; or*
  - *the proxy or proxies, if the relevant Shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Shareholder is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided or "X" should the Shareholder wish to vote all Shares held by him. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shareholder's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Link Market Services, at 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by them by no later than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays.
5. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
6. The chairman of the General Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the Company.
7. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by the Company or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares in "own-name" dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Shareholder and his/her CSDP or broker.
13. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.