

African Equity Empowerment Investments Limited
(Incorporated in the Republic of South Africa)
Registration number 1996/006093/06
Share code: AEE and ISIN: ZAE000195731
("AEEI" or "the Group" or "the Company")

Unaudited interim results for the period ended 28 February 2017

Condensed Group Statement of Financial Position

	Unaudited Group to 28 February 2017 6 months R'000	Unaudited Group to 29 February 2016 6 months R'000	Audited Group to 31 August 2016 12 months R'000
Assets			
Non-current assets	1 492 251	1 273 331	1 428 019
Property, plant and equipment	152 387	151 712	147 086
Goodwill	81 070	56 832	56 832
Intangible assets	339 424	329 365	338 640
Investments in associates	464 767	9	169
Investment in joint ventures	115	-	115
Other loans receivable	9 967	6 880	9 496
Other financial assets	428 803	711 902	858 240
Deferred tax	14 718	14 460	17 310
Prepayments	1 000	2 171	131
Current assets	348 677	262 534	263 200
Inventory	48 106	43 622	45 439
Biological assets	48 359	46 262	48 169
Other loans receivable	15 711	11 981	6 805
Current tax receivable	1 718	154	1 465
Trade and other receivables	149 901	100 760	96 482
Cash and cash equivalents	84 882	59 755	64 840
Total assets	1 840 928	1 535 865	1 691 219
Equity and liabilities			
Equity			
Equity attributable to equity holders of parent			
Share capital and share premium	403 177	403 177	403 177
Reserves	8 034	8 034	8 034
Retained income	652 402	357 594	505 241
Non-controlling interest	1 063 613	768 805	916 452
	74 380	78 366	84 583
	1 137 993	847 171	1 001 035
Liabilities			
Non-current liabilities	492 457	503 666	560 008
Other financial liabilities	276 292	255 647	253 004
Deferred tax	210 528	245 188	299 102
Other non-current liabilities	5 637	2 831	7 902
Current liabilities	210 478	185 028	130 176
Trade and other payables	112 753	107 578	74 262
Other financial liabilities	25 254	12 007	12 587
Current tax payable	11 482	9 093	9 906
Provisions	21 272	20 932	23 390
Other current liabilities	1 910	1 580	260
Bank overdraft	37 807	33 838	9 771
Total equity and liabilities	1 840 928	1 535 865	1 691 219

Net asset value per share (cents)	216.47	156.47	186.52
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Condensed Group Statement of Profit and Loss and Other Comprehensive Income

	Unaudited Group to 28 February 2017 6 months R'000	Unaudited Group to 29 February 2016 6 months R'000	Audited Group to 31 August 2016 12 months R'000
Revenue	448 785	305 318	752 203
Cost of sales	(287 912)	(207 594)	(495 646)
Gross profit	160 873	97 724	256 557
Other income	5 390	3 761	3 454
Fair value adjustments	151 437	50 405	194 947
Other operating expenses	(136 668)	(78 752)	(176 855)
Net impairments, impairment reversals and write off	(352)	-	5 363
Gain on disposal of subsidiaries	-	465	1 034
Profit from equity accounted investments	9 070	-	242
Investment revenue	8 212	11 234	33 592
Finance cost	(12 580)	(11 069)	(26 232)
Profit before taxation	185 382	73 768	292 102
Taxation	(47 181)	(16 261)	(80 538)
Profit from continuing operations	138 201	57 507	211 564
Discontinued operations	-	-	(3 037)
Loss from discontinued operations	-	-	(3 037)
Profit for the year	138 201	57 507	208 527
Other comprehensive income	-	-	-
Total comprehensive income	138 201	57 507	208 527
Total comprehensive income attributable to:			
Equity holders of the parent	144 832	68 991	216 623
Non-controlling interest	(6 631)	(11 484)	(8 096)
	138 201	57 507	208 527
Basic and diluted earnings per ordinary share (cents)	29.48	14.04	44.09
Headline earnings and diluted headline earnings per ordinary share (cents)	29.53	14.02	43.13
Weighted (and fully diluted) average number of ordinary shares in issue (000s)	491 339	491 339	491 339

Condensed Group Statement of Changes in Equity
For the period ended 28 February 2017

	Attributable To Parent R'000	Non- Controlling interest R'000	Total Equity R'000
Balance at 01 September 2015	712 106	92 443	804 549
Profit for the period	216 623	(8 096)	208 527
Dividends paid	(12 292)	(2 234)	(14 526)
Changes in ownership interest - control not lost	15	2 470	2 485
Balance at 31 August 2016	916 452	84 583	1 001 035
Profit/(loss) for the period	144 832	(6 631)	138 201
Changes in ownership interest (rights issue) - control not lost	18 739	(18 739)	-
Dividends paid	(16 221)	(5 455)	(21 676)
Changes in ownership interest (disposal and share issue) - control not lost	(189)	7 589	7 400
Business combinations	-	13 033	13 033
Balance at 28 February 2017	1 063 613	74 380	1 137 993

Condensed Group Statement of Cash Flows

	Unaudited Group to 28 February	Unaudited Group to 29 February	Audited Group to 31 August
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	2017 6 months R'000	2016 6 months R'000	2016 12 months R'000
Cash generated by operations	46 126	32 913	86 187
Investment revenue	8 212	11 234	33 592
Finance cost	(12 580)	(11 069)	(26 262)
Other operating activities	(6 643)	(4 355)	(18 170)
Net cash flows from operating activities	35 115	28 723	75 377
Cash flows from investing activities			
Net movement in property, plant and equipment	(15 665)	(7 185)	(12 464)
Net movement in intangible assets	(2 399)	(940)	(2 060)
Business combination	(5 755)	-	-
Movement in other investing activities	(6 507)	2 589	(6 930)
Proceeds from sale of financial assets	-	20 000	20 000
Purchase of financial assets	-	(136 509)	(136 509)
Net cash flows from investing activities	(30 326)	(122 045)	(137 963)
Repayment of other financial liabilities	(14 548)	(53 925)	(59 789)
Receipt of other financial liabilities	20 379	166 809	171 839
Dividends paid including minorities	(18 614)	(12 292)	(13 042)
Net cash flows from financing activities	(12 783)	100 592	99 008
Total cash movement for the period	(7 994)	7 270	36 422
Cash and cash equivalent at the beginning of the period	55 069	18 647	18 647
Cash and cash equivalents at the end of the period	47 075	25 917	55 069

Condensed Group Segmental Report

	Technology Unaudited 28 February 2017 6 months R'000	Food and fishing Unaudited 28 February 2017 6 months R'000	Health Care Unaudited 28 February 2017 6 months R'000
Revenue	236 390	182 527	2 647
External revenue	233 683	182 527	2 647
Internal revenue	2 707	-	-
Segment results			
Operating profit/(loss)	197 177	25 311	(966)
Included in segment results:			
Net impairments, impairment reversals and write off	-	-	-
Fair valuation of investments	170 000	-	-
Carrying amount of assets	638 436	333 776	9 391
Carrying amount of liabilities	72 034	185 088	1 624

	Biotechnology Unaudited 28 February 2017 6 months R'000	Corporate Unaudited 28 February 2017 6 months R'000	Events and Tourism Unaudited 28 February 2017 6 months R'000
Revenue	4	14 632	28 114
External revenue	4	3 136	26 788
Internal revenue	-	11 496	1 326
Segment results			
Operating profit/(loss)	(8 079)	(29 261)	(3 502)
Included in segment results:			
Net impairments, impairment reversals and write off	-	(352)	-
Fair valuation of investments	-	(18 563)	-

Carrying amount of assets	350 066	463 926	45 333
Carrying amount of liabilities	92 004	318 631	33 554

			Group Unaudited 28 February 2017 6 months R'000
Revenue			464 314
External revenue			448 785
Internal revenue			15 529

Segment results			
Operating profit/(loss)			180 680

Included in segment results:			
Net impairments, impairment reversals and write off			(352)
Fair valuation of investments			151 437
Carrying amount of assets			1 840 928
Carrying amount of liabilities			702 935

	Technology Unaudited 29 February 2016 6 months R'000	Food and fishing Unaudited 29 February 2016 6 months R'000	Health Care Unaudited 29 February 2016 6 months R'000
Revenue	112 936	170 378	2 024
External revenue	107 136	170 378	2 024
Internal revenue	5 800	-	-

Segment results			
Operating profit/(loss)	169 062	22 498	(1 916)

Included in segment results:			
Net impairments, impairment reversals and write off	-	-	-
Fair valuation of investments	150 000	-	-

Carrying amount of assets	443 021	289 768	17 899
Carrying amount of liabilities	100 547	153 727	2 007

	Biotechnology Unaudited 29 February 2016 6 months R'000	Corporate Unaudited 29 February 2016 6 months R'000	Events and Tourism Unaudited 29 February 2016 6 months R'000
Revenue	-	18 323	20 033
External revenue	-	6 434	19 346
Internal revenue	-	11 889	687

Segment results			
Operating profit/(loss)	(4 397)	(109 114)	(2 530)

Included in segment results:			
Net impairments, impairment reversals and write off	335	-	-
Fair valuation of investments	-	(99 596)	-

Carrying amount of assets	346 423	389 248	49 506
Carrying amount of liabilities	88 400	303 717	40 296

	Group Unaudited 29 February 2016 6 months R'000
Revenue	323 694
External revenue	305 318
Internal revenue	18 376
Segment results	
Operating profit/(loss)	73 603
Included in segment results:	
Net impairments, impairment reversals and write off	335
Fair valuation of investments	50 405
Carrying amount of assets	1 535 865
Carrying amount of liabilities	688 694

Note:

The investment in BT Communication Services South Africa Proprietary Limited ("BT") was previously disclosed under Corporate and is now disclosed under the Technology division. The Events and Tourism division excludes Magic 828 Proprietary Limited ("Magic 828") as the Company was managed under the corporate office for the first six months under review.

Determination of headline earnings

		Unaudited 28 February 2017 6 months R'000	Unaudited 29 February 2016 6 months R'000	Audited 31 August 2016 12 months R'000
Earnings attributable to ordinary equity holders of parent entity	IAS 33	144 832	68 991	216 623
Adjusted for:				
Impairment of intangible assets	IAS 38	-	241	(4 368)
Loss on disposal of property, plant and equipment	IAS 16	284	-	419
Gain on disposal of subsidiaries	IFRS 3	-	(335)	(744)
Headline earnings		145 116	68 897	211 930
Headline earnings per ordinary share (cents)		29.53	14.02	43.13
Diluted headline earnings per ordinary share (cents)		29.53	14.02	43.13

Reconciliation of reportable segments profit or loss

		Unaudited 28 February 2017 6 months R'000	Unaudited 29 February 2016 6 months R'000	Audited 31 August 2016 12 months R'000
Total operating profit for reportable segments		180 680	73 603	284 500
Adjusted for:				
Profit/(loss) from equity accounted investments		9 070	-	242
Investment revenue		8 212	11 234	33 592
Finance cost		(12 580)	(11 069)	(26 232)
Profit before taxation		185 382	73 768	292 102
Taxation		(47 181)	(16 261)	(80 538)
Profit for the period and total comprehensive income from continuing operations		138 201	57 507	211 564
Loss from discontinued operations		-	-	(3 037)
Profit for the period and total comprehensive income		138 201	57 507	208 527

Highlights compared to the prior year interim period:

- Revenue increased by 47% from R305m to R449m.
- Operating profit increased by 145% from R74m to R181m
- Earnings per share increased by 110% from 14.04 cents to 29.48 cents.
- Headline earnings per share increased by 111% from 14.02 cents to 29.53 cents.
- Total assets increased by 20% from R1 535m to R1 841m.
- Net asset value increased by 34% from R847m to R1 138m.
- Net cash generated from operating activities increased by 21% from R29m to R35m.

Group performance

The Group delivered excellent revenue and profit growth as a result of the strong contributions from all its underlying operations and investments for the interim period under review.

Group revenue increased by 47% from R305m to R449m, mainly due to the significant growth in revenue from the Technology division, which is in line with its growth and acquisition plans.

Group operating profit increased by 145% from R74m to R181m compared to the prior interim period.

Group earnings grew by 142% from R57m to R138m compared to the prior interim period.

Headline earnings per share ("HEPS") increased by 111% from 14.02 cents to 29.53 cents and earnings per share ("EPS") increased by 110% from 14.04 cents to 29.48 cents for the six months under review.

Profit before tax for the period increased by 150% from R74m to R185m with improved returns from our diversified investment portfolio.

The Group's asset base increased by 20% from R1 535m to R1 841m, mainly due to the increase in performance of its operations and investments since the comparative interim period.

Net asset value ("NAV") increased by 34% from R847m to R1 138m as a result of the excellent operational performance of all our underlying operations and investments. The NAV per share increased by 38% from 156.47 cents to 216.47 cents.

As a result of the solid financial performance from the underlying businesses, net cash generated from operating activities increased by 21% from R29m to R35m for the period under review.

Food and fishing

The Food and Fishing division delivered the expected growth in revenue and earnings, with revenue increasing by 7% from R170m to R182m. Improved catch rates and greater sales volumes also had a positive impact increasing operating profit by 14% from R22m to R25m. The diversification in the various fish species supported the diversification strategy. Due to its seasonal nature the division has a stronger performance during the second half of the year.

Based on these results, the Food and Fishing division is expected to meet its forecast.

The abalone division continues to focus on increasing production capacity and efficiencies. The planning and design for the expansion project will commence shortly on the Gansbaai farm.

On 2 March 2017, the Food and Fishing division was listed on the main board of the JSE. The Company was able to raise capital in the amount of R526 million on the listing date through the issue of 117 million new shares to the public, hence increasing the issued shares of the Company from 143 million ordinary shares to 260 million ordinary shares in issue. The capital raised will be used for the expansion of the abalone farm and further acquisitions of fishing and related products as part of its growth strategy.

Technology

The Information Communication Technology ("ICT") division focuses on the growth and development of niche-market ICT companies.

The ICT division delivered strong organic growth and is delivering on its acquisition strategy by having acquired two information technology ("IT") companies to bolster its product portfolio with revenues increasing by 119% from R107m to R234m, as well as an increase in the operating profit by 17% from R169m to R197. The economies of scale is in line with our Vision 2020 Vision strategy in preparing this division for its potential listing in the short to medium term.

The diversification in our various ICT businesses will complement its existing portfolio and enhance its future offerings to its greater customer base.

During the period under review the Group obtained significant influence over its investment in BT. This resulted in the division recognising the investment

as an associate from November 2016. The fully paid up investment in BT is well positioned to grow consistently over the next few years. Earnings and dividends have grown consistently and this is expected to continue in the foreseeable future.

Health Care

The companies under the Health Care division, focuses on the manufacturing, sales and marketing of an extensive range of natural products for the food, agriculture, hygiene as well as general health sector and beauty products.

The Health Care division achieved growth in revenue by increasing its footprint in other regions and promoting its product portfolio to other food and hygiene sectors.

Biotechnology

Genius Biotherapeutics ("Genius") South Africa and Africa's largest medical biotechnology Company continues with its research and development activities.

The dendritic cell vaccine project awaits final approval from the Medicines Control Council("MCC") to commence with Phase 1 clinical trials on breast cancer. The research team continues with research and development to commence on pre-clinical trials on extreme drug-resistant tuberculosis.

Genius' management team focused their plans to update all regulatory work and intellectual property by employing the necessary human resources required to meet MCC compliance standards for the production of Repotin.

Events and Tourism

The Events and Tourism division owns and manages an events planning and production Company, espAfrika Proprietary Limited ("espAfrika"), a travel services Company, Tripos Travel Proprietary Limited ("Tripos") and a radio station, Magic 828.

espAfrika, a Group subsidiary, owns and hosted a very successful 18th Cape Town International Jazz Festival post interim period. In 2016 espAfrika also launched its own annual event called "The Royal Escape Experience" at Sun City and this will be held again in July 2017. The Company's performance for the six months is in line with expectations as espAfrika has most of its events and profitability during the second half of the financial year.

Additionally, Magic 828 which has been in existence for less than 20 months increased its listenership by 43% in the Western Cape region to approximately 100 000 listeners.

Tripos increased its market share since the previous period with revenues increasing by 69% from R16m to R27m.

Strategic investments

The Group's strategic investments consist of: Pioneer Foods Group ("Pioneer"), Sygnia Limited ("Sygnia") and Saab Grintek Defence Proprietary Limited ("SGD") and BT Communications Services South Africa Proprietary Limited ("BT") (Managed and reported under Technology).

AEEI has minority equity stakes in SGD, Sygnia and Pioneer and these investments have shown improvement in its investment value since the date of the acquisitions. Consistent growth in earnings and regular dividends are received from all the strategic investments.

Refer to the note from investment to associate below for the change in control in BT which is managed under the Technology division.

Significant events

Business combinations

Aggregated business combinations

	Unaudited 28 February 2017 R'000
Property, plant and equipment	4 641
Intangible assets	9 876
Other loans and receivable	5 876
Deferred tax	(553)
Inventories	4 458
Trade and other receivables	43 930
Current tax receivable	1 641
Cash and cash equivalents	8 673
Other financial liabilities	(4 823)
Provisions	(722)

Trade and other payables	(41 180)
Current tax payable	(85)
Bank overdraft	(749)
Total identifiable net assets	30 983
Non-controlling interest	(13 033)
Goodwill	24 238
Total purchase price	42 188
Consideration paid	
Cash	14 525
Equity - ordinary shares in Sekunjalo Technology Solutions Limited ("STS")	15 301
Loan	4 724
Contingent consideration	7 638
	42 188
Net cash outflow on acquisition	
Cash consideration paid	(14 525)
Cash acquired	8 770
	(5 755)

Acquisition of Kalula Communications Proprietary Limited ("Headset Solutions") and Puleng Technologies Proprietary Limited ("Puleng")

During the six months under review, AEEI via STS acquired two businesses in order to bolster the Group's Technology division in line with its acquisition strategy.

Effective 1 September 2016 and 1 October 2016, the Group acquired 51% of the equity and voting interest of Headset Solutions and a 57% equity and voting interest in Puleng. The consideration paid for these businesses amounted to R42m with a cash portion of R19.2m payable on the effective date and balance settled with an issue of Sekunjalo Technology Solutions Limited shares. Headset Solutions trades in headsets and unified communication which enhances the Group's strategy to diversify its IT portfolio in line with our Vision 2020 Vision.

Puleng is involved with software development which complements the other IT businesses.

Goodwill of R24.2m arising from the acquisitions largely consists of the synergies and economies of scale expected from combining the operations, as well as an intangible asset which did not previously qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

The contingent consideration arrangement requires the Group to pay the previous owners an amount of R3.5m per annum for the next 3 years if the companies achieves 75% of their free cash flow based on agreed profit warranties.

Receivables acquired per major class comprises of trade and other receivables of R43.4m and other receivables of R5.8m.

The acquisition related costs of R467k have been included in operating expenses in the statement of profit or loss and other comprehensive income.

Revenue of R127m and profit of R6.9m have been included in the Group's trading results since the effective date of the acquisitions.

Investment becomes an associate

The Group holds a 30% equity interest in BT. This investment was accounted for at fair value through profit and loss on 31 October at R579m.

On 23 November 2016, the Board of directors of BT was rearranged which resulted in AEEI having the ability to participate in policy-making processes, including the participation in decisions resulting in the Group obtaining significant influence. As a result, the investment is treated as an associate in line with IAS 28. The impact of the change resulted in the investment being recognised as an associate at R464m for the interim period under review. The financial effects are detailed below.

	Unaudited
	28 February
	2017
	R'000
Investment at fair value as at 31 August 2016	409 211
Fair value adjustment up to 31 October 2016	170 000

Investment at fair value as at 31 October 2016	579 211
Amount transferred to investment in associate	579 211
Deferred tax liability raised to date of transfer	(123 683)
Share of profits in associate (BT only)	8 919
Investment in associate as at 28 February 2017	464 447

Change in ownership without loss of control

During January 2017, AEEI acquired additional shares in Bioclones Proprietary Limited through its wholly owned subsidiary, African Biotechnological and Medical Innovations Proprietary Limited ("ABMI") by means of a rights issue amounting to R103m. This resulted in the Group's shareholding increasing from 49.99% to 73.70%. The impact of the transaction in the Group's equity and non-controlling interest amounted to R18.7m which is reflected directly in the statement of changes in equity.

During the period under review, the Group acquired Headsets Solutions and Puleng on the 01 September 2016 and 01 October 2016 respectively as reflected in the business combination note above. Included in the consideration amount, Headsets would obtain 1.3m ordinary shares in STS on 01 September 2016 and the same amount of shares at each anniversary date from an issue of shares by the Company. Additionally, included in the consideration paid to Puleng, the Group would issue 3.6m ordinary shares in STS on 01 October 2016.

The equity issued by the Group as consideration resulted in a dilution of the Group's shareholding without control being lost, therefore accounted for directly in equity with non-controlling shareholders.

The above transactions resulted in the Groups equity decreasing by R189k and the non-controlling interest increasing by R7.5m.

Related parties

The Group, in the ordinary course of business entered into various sales and purchases transactions on an arms' length basis with related parties.

Events after reporting period

On the 2 March 2017, the Food and Fishing division listed on the main board of the JSE. The Company was able to raise capital in the amount of R526 million on the listing date through the issue of 117 million new shares to the public hence increasing the issued shares of the Company from 143 million ordinary shares to 260 million ordinary shares in issue. The capital raised will be used for expansion of the abalone farm and will accelerate the execution of the growth strategy of the Food and Fishing division.

Upon listing, the Food and Fishing division issued additional shares resulting in the dilution of AEEI's shareholding. As control was not lost, the potential effect of the share issue would result in an adjustment directly in equity of R92m.

Fair value information

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 28 February 2017, the Group held the following instruments measured at fair value:

	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
2017				
Listed shares	283 654	-	-	283 654
Unlisted shares (Excluding BT)	-	-	145 149	145 149
Biological assets	-	-	48 359	48 359
Total	283 654	-	193 508	423 162
	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
2016				
Listed shares	233 527	-	-	233 527
Unlisted shares	-	-	478 375	478 375
Biological assets	-	-	46 262	46 262
Total	233 527	-	524 637	758 164

Reporting entity

AEEI is a Company domiciled in South Africa. These condensed consolidated interim financial statements as at and for the six months ended 28 February 2017

comprises AEEI the Company and its subsidiaries ("The Group") and interest in associates and joint ventures. AEEI is a black-controlled entity, which holds interests in six sectors and promotes Broad-Based Black Economic Empowerment and sound corporate governance practices.

Use of judgments and estimates

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 August 2016.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. The fair valuation calculations are performed by the Group's finance department and operational team on an annual basis. The finance department reports to the Group's Chief Financial Officer. The valuation reports are approved by the investment committee in accordance with the Group's reporting policies.

Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the JSE Limited ("JSE") Listings Requirements and the requirements of the Companies Act of South Africa, 2008 as amended, applicable to summarised financial statements. The JSE Listings Requirements require financial reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and also that they, as a minimum, contain the information required by IAS 34 'Interim Financial Reporting'. The accounting policies applied in the preparation of the summarised consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

The unaudited interim financial results were prepared by the Group Financial Manager, Wakeel McLachlan B. Com (Hons), CA(SA) and were not reviewed or audited by the Group's external auditors, Grant Thornton Inc.

Prospects

The Group will continue with its strategic focus to grow the value of the core operational investments and improve the value add to our strategic investments.

The AEEI Group has built a solid platform for further organic growth and has positioned itself well to increase its investments by acquisition. Management is focussed on its five-year strategic plan ("Vision 2020 Vision") and has firmed up its acquisition pipeline for both its food and Fishing and IT companies.

The Group's auditors have not reviewed nor reported on any comments relating to prospects.

Dividends

Dividends have been declared and approved by the Board of Directors on 26 October 2016. These dividends of R16.2m were paid to shareholders on 13 February 2017.

The Board of Directors are pleased to announce that it has approved and declared a gross interim dividend of 2.00 cents per share for the six month period ended 28 February 2017 from income reserves. The interim dividend amount, net of South African dividend tax of 20% which equates to 0.40 cents per share, is therefore a net 1.60 cents per share for those shareholders that are not exempt from dividend tax.

The number of ordinary shares in issue at declaration date is 491 339 434 and the income tax number of the Company is 9314001034.

The salient dates of this dividend distribution are:

Gross dividend (cents per share)	2.00
Dividend net of dividend withholding tax (cents per share)	1.60
Last day to trade cum dividend	Tuesday, 18 July 2017
Trading ex-dividend commences	Wednesday, 19 July 2017
Record date	Friday, 21 July 2017
Date of payment	Monday, 24 July 2017

Share certificates may not be dematerialized between Wednesday, 19 July 2017 and Friday, 21 July 2017, both days inclusive.

Appreciation

We wish to thank our staff, Group executives, management, our board of directors as well as our strategic partners, stakeholders and business partners for their loyalty and dedication in contributing to the success of the Group.

Professor Vukile Mehana
Non-executive chairman

Mr Khalid Abdulla
Chief executive officer

Cape Town
11 May 2017

Directors

*Khalid Abdulla (Chief executive officer); Prof Vukile Mehana (Non-executive Chairman); Salim Young (Deputy Chairman); Johannes Mihe Gaomab; Aziza Amod; Takudzwa Hove *Cherie Felicity Hendricks; *Chantelle Ah Sing; Zenariah Barends

*Executive directors

Company secretary: Nobulungisa Mbaliseli

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Auditors: Grant Thornton Cape Inc.

Sponsor: PSG Capital, Stellenbosch