



ABRIDGED INTEGRATED REPORT 2018

DEAR STAKEHOLDER

African Equity Empowerment Investments Limited (AEEI, the Company or the Group) completed the third year of its five-year strategy, and accordingly this report will address our performance for the year under review.

During the past year, our strategic plan was refined slightly as we reflected on our strategic focus areas, hence our 2018 integrated report will also focus on our Vision 2020 Vision.

Our 2018 integrated report reflects our achievements, our successes and journey as well as adapting to our five-year strategic plan in order to continue towards realising our Vision 2020 Vision.

HOW TO READ THIS REPORT

Our integrated report provides information that enables our stakeholders to make an informed assessment of our ability to create sustainable value. The aim of this report is to clearly and concisely tell the story of AEEI, who we are, what we do and how we create value. This report documents our strategy, business model, opportunities and risks as well as our performance against our strategic objectives and governance, in a way that gives stakeholders a holistic view of the Group and our future prospects.

ADDITIONAL INFORMATION

Our integrated report is supplemented by our full suite of online publications, which caters for the diverse needs of our stakeholder base and includes:

- Our online report
- Full corporate governance report
- Full sustainability report
- Full responsible investments report
- Full consolidated annual financial statements
- Responses to the GRI G4 Sustainability Reporting Guidelines
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV™)
- Notice to the annual general meeting

These can be accessed on our website: www.aeei.co.za.

Share code: AEE

ISIN: ZAE000195731

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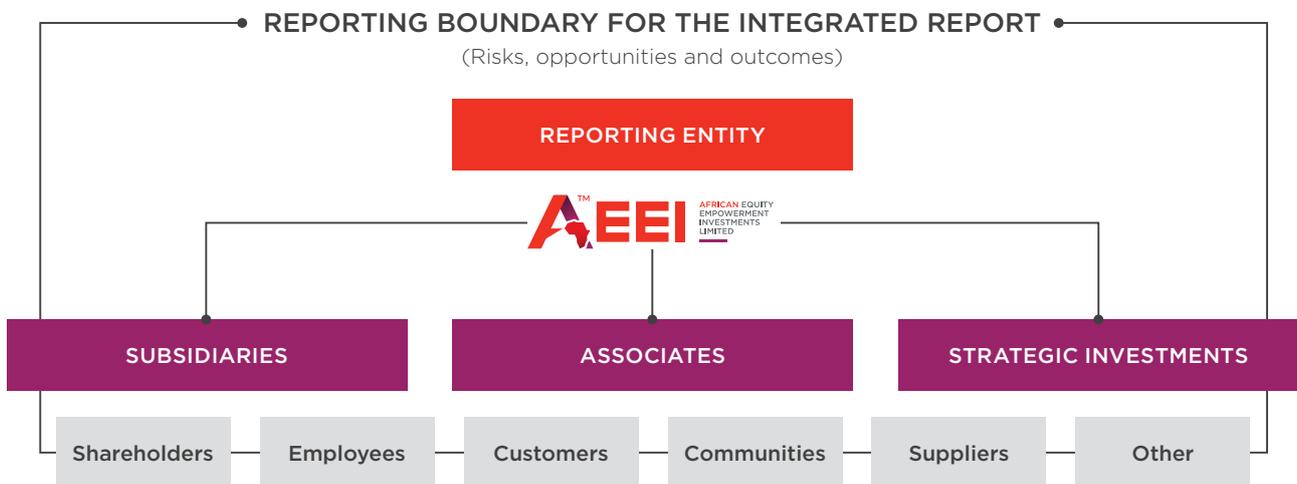
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ABOUT THIS REPORT

African Equity Empowerment Investments Limited (AEEI, the Company or the Group) is committed to the principles of integrated reporting in terms of our thinking and our approach to long-term value creation and the role we play as a corporate citizen.

This integrated report is our primary report to stakeholders.



Our 2018 integrated report follows on our Vision 2020 Vision as reported on in the 2017 integrated report. It aims to provide a balanced, accurate and accessible assessment of our strategy, performance and opportunities and how these relate to material financial, economic, social, environmental and governance matters. These matters form the anchor of the content throughout this report.

The Group's leadership develops and directs the strategy and manages the business in an integrated way. Management takes into account the interests of our stakeholders and is cognisant of capital resources required to realise the strategy.

To ensure that the contents of this integrated report are aligned with material matters impacting our ability to create value, we were guided by the following in preparing our report:

- The International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV™)
- The Johannesburg Stock Exchange (JSE) Listings Requirements
- The International Financial Reporting Standards (IFRS)
- The Companies Act, 2008 (No. 71 of 2008), as amended (the Companies Act)
- The Global Reporting Initiative (GRI) G4 Guidelines
- Broad-based Black Economic Empowerment (B-BBEE) Regulations

SCOPE, BOUNDARY AND REPORTING CYCLE

Our integrated report covers the performance of the Group for the financial year ended 31 August 2018 as well as the material information related to the strategy, business model, governance, material matters and creating shared value, shareholders' interests, and our future outlook. It also incorporates the financial reporting boundary of the Group and its subsidiaries. This report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders.

The Group's income is generated mainly in South Africa, with 29% generated from Asia, Europe, Dubai, Saudi Arabia, the United Kingdom (UK), the United States of America (USA), Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Spain, Ethiopia, Lesotho, Swaziland, Mozambique, Madagascar, Malawi and Mauritius. This report aims to enable our readers to obtain a balanced view and to make an informed assessment of the Group's ability to create stakeholder value in the short, medium and long-term.

MATERIALITY AND MATERIAL MATTERS

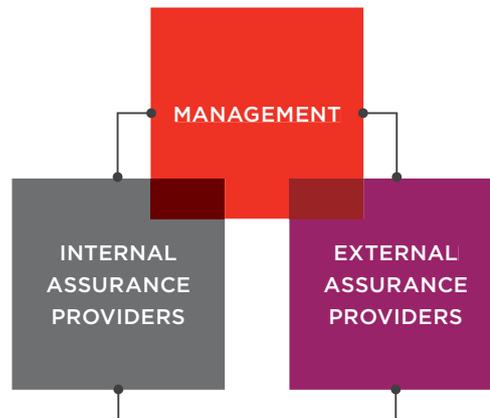
AEEI applied the principle of materiality in assessing which information is to be included in this report. Hence, this report focuses particularly on those matters and provides material information which relates to the Group's strategy, governance, performance and sustainability in respect of all business units and sectors, which comprise food and brands, technology, events and tourism, health and beauty, biotherapeutics, and strategic investments. All non-financial indicators include subsidiaries but exclude associates and strategic investments unless specifically indicated. Through a formal process the Board committees and executive management identified material matters, and in terms of relevance these were approved by the Board. Material matters and developments are comprehensively dealt with throughout the report. Our material matters, as described on pages 46 to 52, influence our strategy and inform the content of this report.

COMBINED ASSURANCE AND INTERNAL CONTROL FRAMEWORK

AEEI has a combined assurance model, which includes internal and external assessments of key strategic risks, internal controls and other material areas to support the integrity of the management, monitoring and reporting data.

The Board paid attention to the combined assurance through the audit and risk committee, which ensured that our combined assurance model adequately addresses the Group's risk and material matters. We continually look at optimising our combined assurance model to avoid duplication of efforts, rationalise collaboration efforts and manage assurance costs. This enables an effective control environment and ensures the integrity of the information used for reporting and decision-making.

COMBINED ASSURANCE



The Board, with the support of the audit and risk committee, is ultimately responsible for the system of internal control, which is designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. The audit and risk committee applied the combined assurance model to seek and optimise the assurance provided by management, the internal auditor and external assurance providers to ensure a strong ethical climate and to ensure compliance. They also monitored the relationship between the external assurance providers and the Company.

ABOUT THIS REPORT – continued

The Board approved the risk management policy during the year under review and through this process management identified key risks and implemented the necessary internal controls. This process is regularly evaluated and monitored by the internal audit team. The external audit covers accounting matters and controls during their audit.

Management provides the Board with assurance on its accountabilities in terms of implementing and monitoring the Group's risks register and plan, as well as the controls related to the Group's day-to-day activities, while fostering a strong ethical climate to ensure compliance.

As AEEI is listed on the JSE, it complies with the JSE Listings Requirements, the Companies Act and King IV™.

Certain information included in this report has been externally assured and reviewed including the following:

- The integrated report was reviewed by our external auditors, BDO Cape Inc.
- The consolidated and separate annual financial statements for the year ended 31 August 2018 were audited by BDO Cape Inc.
- External verification has been provided for the Broad-based Black Economic Empowerment (B-BBEE) accreditation level. The verification was carried out by an organisation accredited by the South African National Accreditation System (SANAS) – the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).
- External verification on the integrated report and the consolidated and separate financial statements for the year ended 31 August 2018 was performed in terms of the JSE Listings Requirements and the Companies Act.
- This integrated report was not subject to an independent audit or review.
- The sustainability review has not been independently assured, however, certain information contained in this review has been scrutinised by the Group's own internal control functions.

The information reported on is derived from the Group's own internal records and information available in the public domain.

The Board reviewed the effectiveness of controls for the year ended 31 August 2018, principally through a process of management self-assessment, including confirmation from executive management. It also considered reports from the internal audit, the external auditor and other assurance providers. (*King IV™ – Principle 5*)

SIGNIFICANT CHANGES DURING THE REPORTING PERIOD

The Group successfully listed its technology division – now trading as AYO Technology Solutions Ltd (AYO) – on the main board of the JSE on 21 December 2017. Subsequent to the listing, AYO became an associate on 24 August 2018 as AEEI now owns 49.36% of AYO.

AEEI through its investment in AEEI Events and Tourism, acquired an additional 24.5% shares from a shareholder in espAfrika (Pty) Ltd by exercising its pre-emptive rights, whereafter their shareholding ceased to exist.

During the financial year an impairment was raised on the intangible assets as well as goodwill of Genius amounting to R140m, as a result of the carrying amount of these intangible assets exceeding its recoverable amount, as a result of the cash generated from these assets.

The Group, through its subsidiary Premier Fishing SA (Pty) Ltd, acquired a 50.31% stake in Talhado Fishing Enterprises (Pty) Ltd (Talhado). All conditions precedent were met during the period under review. Talhado is the largest squid player in the South African market and this strategic acquisition is in line with the Group's strategy to diversify by expanding organically and through acquisitions.

POST BALANCE SHEET EVENTS

Subsequent to year-end, on the 9 November 2018, the Board approved a buyback of its shares, which management believe is trading at a discount to net asset value (NAV), thereby creating shareholder value.

A final gross dividend of 12.00 cents per share has been declared after the reporting period but before the financial statements were authorised for issue.

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

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE INTEGRATED REPORT

The AEEI Board is ultimately responsible for ensuring the integrity of the integrated report and acknowledges its responsibility to ensure that the integrity of the integrated report is not compromised. The audit and risk committee also reviewed and recommended the integrated report and annual financial statements to the Board for approval. The Board has applied its mind to the integrated report and believes that it addresses all material matters and fairly represents the integrated performance of the Group.

The integrated report and the annual financial statements for the Group for the year ended 31 August 2018 were approved by the Board of directors and signed on their behalf by Reverend Dr VC Mehana and Mr K Abdulla on 26 November 2018. (*King IV™ - Principle 15*)

The special resolutions passed during the year for the Company relate to the approval:

- of the remuneration for executive and non-executive directors;
- for inter-company financial assistance;
- of financial assistance for the acquisition of shares in a related or interrelated company; and
- for the Company or its subsidiaries to repurchase Company shares.

DISCLAIMER: FORWARD-LOOKING STATEMENTS

In this report we make certain statements that relate to analyses and other information based on forecasts of future results based on historical data, which are based on estimations of new business and investment assumptions. These statements may also relate to our future prospects, developments and business strategy. As defined, these are forward-looking statements. These statements may be identified by words such as "expect", "look forward to", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will", "project" or words of similar meaning which are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures and in the risk management report.

Should one or more of these risks or uncertainties materialise or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of AEEI may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. AEEI neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated.

We welcome your feedback and comments on the integrated report. Please address any queries to the corporate affairs and sustainability director, Cherie Hendricks at cherie@aeei.co.za.

WHO WE ARE

African Equity Empowerment Investments Limited (AEEI or the Company or the Group) is a majority black-owned and black-controlled JSE-listed investment holding company based in South Africa and is a subsidiary of Sekunjalo Investment Holdings (Pty) Ltd.

AEEI is a diversified investment and empowerment company that has investments in fishing and brands, technology, events and tourism, health and beauty, as well as biotherapeutics, all supporting B-BBEE and small, medium and micro-enterprises (SMMEs) and strategic investments, some with international partners.

Due to our diverse portfolio, our growth strategy continues on an upward trajectory which is reflected in our financial year-end results. This growth strategy has laid a strong foundation for the next phase of the Group's evolution, which is reflected in our achievements in terms of Vision 2020 Vision. Restated revenue increased from R576 607 in 2017 to R700 691 in 2018. Assets increased from R2 822 153 in 2017 to R7 362 276 in 2018.

MISSION STATEMENT

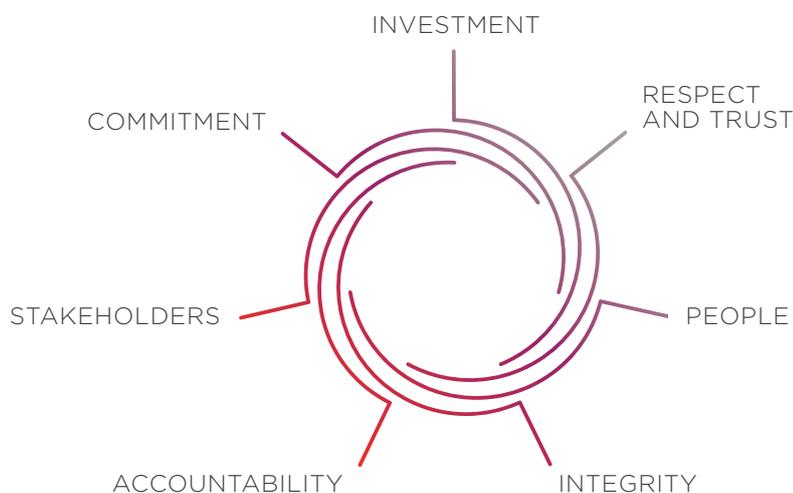
African Equity Empowerment Investments Limited is a diversified company that empowers people through profits and partnerships.

VISION STATEMENT

We are a dynamic and innovative company that creates superior stakeholder value.

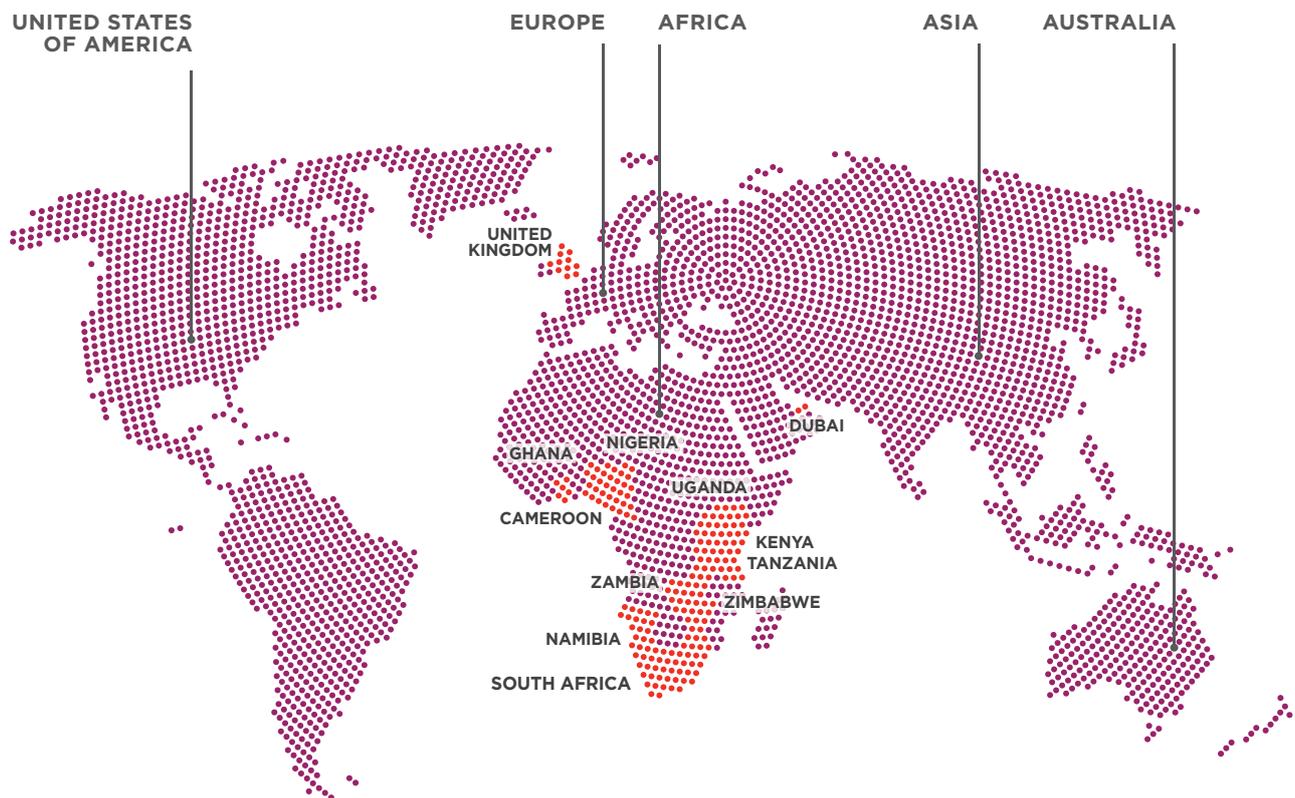
OUR SHARED VALUES

We are driven by our values:



WHERE WE OPERATE

AEEI's primary market remains in South Africa and we continue to expand our footprint into the rest of Africa. Outside South Africa we have a market presence in Asia, Europe, Dubai, Saudi Arabia, Spain, the UK, the USA, Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Ethiopia, Lesotho, Swaziland, Mozambique, Madagascar, Malawi and Mauritius.



WHO WE ARE – continued

KEY FACTS

3 May 1999

DATE OF LISTING
ON THE JSE

**V&A Waterfront,
Cape Town**

HEAD OFFICE

1

B-BBEE LEVEL

R2 206 114 059

MARKET
CAPITALISATION
AT 31 AUGUST 2018

889

NUMBER OF
PERMANENT
EMPLOYEES

(excluding new
acquisitions)

3 276

NUMBER OF
CONTRACTORS

29%

INCOME GENERATED
OUTSIDE SOUTH AFRICA

61.37%

MAJORITY
SHAREHOLDER
Sekunjalo Investment
Holdings (Pty) Ltd

73.72%

BLACK
OWNERSHIP

R7 362 276

TOTAL ASSETS 2017: 2 822 153 | 2016: 1 691 219

119 085

HEADLINE EARNINGS (R'000) 2017: 466 232 | 2016: 211 930

24.24

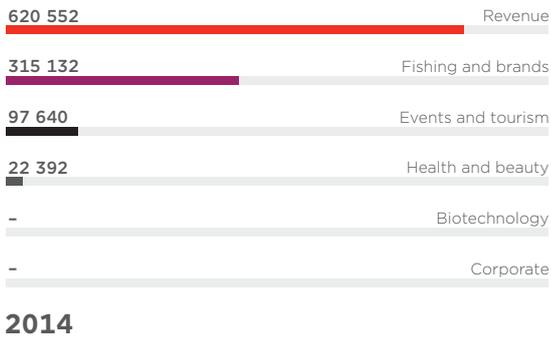
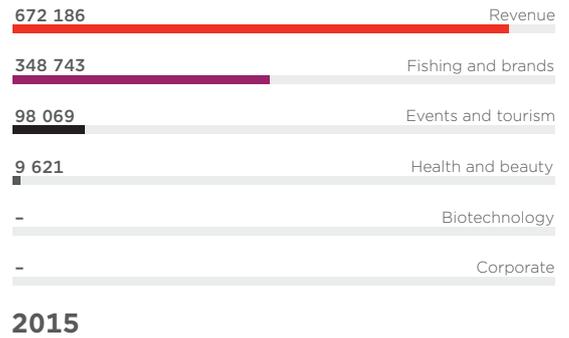
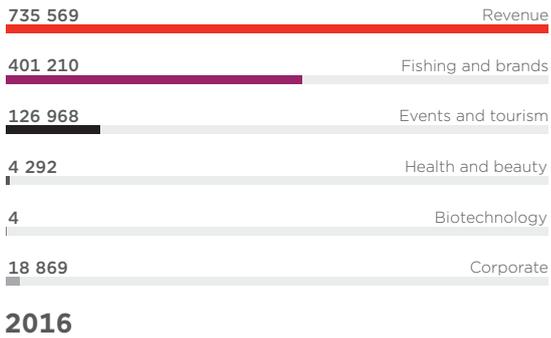
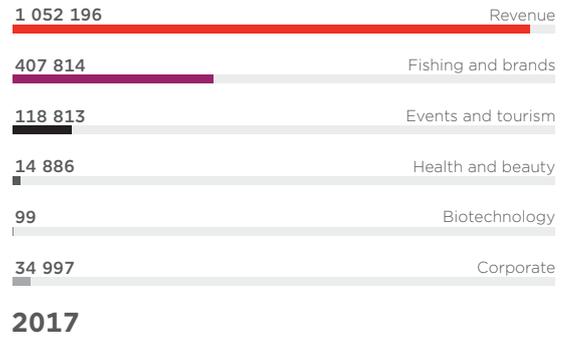
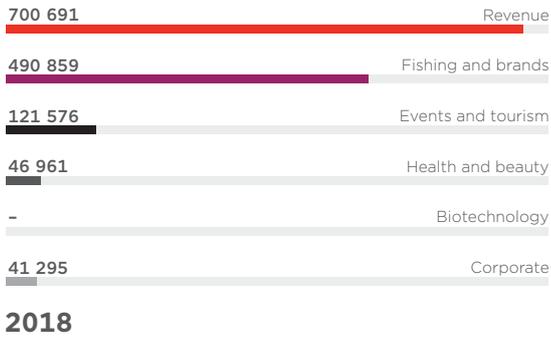
HEADLINE EARNINGS per share (cents) 2017: 94.89 | 2016: 43.13

43 238

DIVIDEND 2017: 25 804 | 2016: 12 283

WHO WE ARE – continued

REVENUE CONTRIBUTION PER DIVISION



OUR KEY PERFORMANCE INDICATORS (KPIs)

FINANCIAL KPIs	2018 TARGET	2018 ACHIEVEMENT	2019 TARGET
REVENUE GROWTH	20%	Achieved 22%	20% increase in revenue growth
PROFIT BEFORE TAX	20%	Achieved 852%	20% increase in operating profit
NET CASH FLOWS FROM OPERATING ACTIVITIES	15%	Achieved 64%	15% increase in cash flows
INCREASING NET ASSET VALUE	20%	Achieved 277%	20% increase in net asset value
GROWTH IN TOTAL ASSETS	20%	Achieved 164%	Grow total assets by 20%

NON-FINANCIAL KPIs	2018 TARGET	2018 ACHIEVEMENT	2019 TARGET
B-BBEE	Retain Level 1 status	Level 1 status	Retain Level 1 status
HEALTH AND SAFETY	Maintain zero fatalities	Zero fatalities	Maintain zero fatality
STAKEHOLDER RELATIONSHIPS	Increase communication to stakeholders	Increased communication to stakeholders	Increase stakeholder communication through various platforms
EMPLOYEE TRAINING AND DEVELOPMENT	Continue with training and development	426 employees undertook training	Continue with training and development

AEEI is recognised by its peers as a pioneer in promoting the interests of historically disadvantaged individuals (HDIs) and previously marginalised communities. The Group's commitment to transformation (including employment equity, skills development, social and enterprise development and corporate social investment), makes it a role model for B-BBEE.

AEEI has strong roots among HDIs and community organisations. These form the majority of the Group's shareholder base. Black ownership of AEEI exceeds 74.33% and most of its economic benefits are enjoyed by previously disadvantaged stakeholders.

WHO WE ARE – continued

WHAT SETS US APART

<p>Vision 2020 Vision strategy, implementation plan with clear short, medium and long-term business strategies</p>	<p>Diversified business portfolio</p>	<p>Built on solid empowerment credentials and return on investment</p>	<p>Sustainable and organic growth while containing costs and driving efficiencies</p>
<p>Strong brand, credentials and proven delivery</p>	<p>Successful track record and excellent business reputation</p>	<p>Strong management team and experienced executives leading our business units</p>	<p>Hands-on approach in our business development strategy</p>
<p>Strong risk-based management of investments</p>	<p>Low debt and gearing ratio</p>	<p>Associates and strategic investment portfolio</p>	<p>B-BBEE partner of choice</p>
<p>Proven transformation culture and results</p>	<p>Rated as one of the JSE's most transformed companies</p>	<p>Investment in environmentally friendly products</p>	<p>Maintain our B-BBEE accreditation</p>

OUR VALUE-CREATING BUSINESS MODEL

 <p>FINANCIAL CAPITAL</p>	 <p>HUMAN CAPITAL</p>	 <p>MANUFACTURED CAPITAL</p>
<p>Capital: R4.9bn Assets: R7.4bn Associate investments: R5.6bn Strategic investments: R420m</p>	<p>889 permanent employees (excluding recent acquisitions) Employment created for 3 276 contractors</p>	<p>Quality products Quality services Innovative organic products Capital investment in our businesses to increase capacity and efficiency Plant and equipment</p>
<p> <i>Read more on page 5 of the online Sustainability Report.</i></p>	<p> <i>Read more on page 6 of the online Sustainability Report.</i></p>	<p> <i>Read more on page 7 of the online Sustainability Report.</i></p>
 <p>INTELLECTUAL CAPITAL</p>	 <p>SOCIAL AND RELATIONSHIP CAPITAL</p>	 <p>NATURAL CAPITAL</p>
<p>Patents Copyrights Software licences Associate partnerships Strategic partnerships Empowerment partner of choice Software development Skill and experience of management and employees Consistently investing in training Collaborative research and development investments</p>	<p>Stakeholder engagement Leader in transformation Leader in social responsibility</p>	<p>Responsible use of natural resources, effective environmental management systems, and long-term goals to address carbon emissions, water usage and electricity usage</p>
<p> <i>Read more on page 8 of the online Sustainability Report.</i></p>	<p> <i>Read more on pages 9 and 10 of the online Sustainability Report.</i></p>	<p> <i>Read more on page 11 of the online Sustainability Report.</i></p>

WHO WE ARE – continued

OUR RECENT AWARDS AND ACHIEVEMENTS

AEEI achieved the following:

<p>A top 10 JSE-listed Company in the Financial Mail's Top 100 JSE Companies for financial performance in 2016 and 2015</p>	<p>Winner – Highest Sustainability Data Transparency Index score – Financial Services sector in 2017 by the IRAS out of more than 300 Top JSE-listed companies</p>	<p>Accorded the honour to open the JSE in recognition of consistent financial growth over several years, as well as a strong trading period in the last 12 months, and recognised by its peers with several top awards and consistent financial performance – Raging Bull 2016</p>
<p>Level 1 B-BBEE status</p>	<p>Second place – Most Empowered Black-Owned Company 2017 – Empowerdex's most empowered JSE-listed companies</p>	<p>Winner of the Empowerdex Top 100 Most Empowered Companies in 2016</p>
<p>Winner of the Empowerdex Top 100 Empowered Management Control Company in 2016</p>	<p>Runner-up in the Empowerdex Most Empowered Black Ownership under the amended B-BBEE Codes of Good Practice</p>	<p>Impumelelo Certificate of Excellence Award – Top Empowered Companies – in recognition of our commitment to transformation in 2015</p>

FLOW OF INCOME AND EXPENSES

INCOME	<ul style="list-style-type: none"> Income is generated through the sales of products and services provided Management fees
OTHER INCOME	<ul style="list-style-type: none"> Associate income is generated through our investments in non-controlling shareholdings Private equity income is derived from the realisation or revaluation of investments and dividends received: <ul style="list-style-type: none"> Includes private equity income and fair-value adjustments, among others Fair-value adjustments arise from the revaluation of our investments on our balance sheet.
EXPENSES	<ul style="list-style-type: none"> We invest in our operations through infrastructure, technology and marketing We also invest in developing, motivating and retaining employees
IMPAIRMENT CHARGES	<ul style="list-style-type: none"> Intangible assets, goodwill and loans are subject to impairment testing and written down to the recoverable amount
TAX	<ul style="list-style-type: none"> Taxation is the regulatory requirement to pay direct and indirect taxes

WHO WE ARE – continued

OUR INVESTMENT PHILOSOPHY

AEEI'S HIGH-LEVEL INVESTMENT PHILOSOPHY IS TO:

- hold a diverse portfolio of investments in businesses;
- acquire control of the majority of its operational investments;
- acquire and maintain non-controlling stakes in its associates;
- acquire and maintain non-controlling stakes in strategic investments;
- add value, influence business processes, provide management expertise and synergies with existing investments;
- provide capital investment to grow the business;
- ensure above-market shareholder returns; and
- provide and maintain high-quality infrastructure and assets.

AEEI HAS A TRACK RECORD OF BEING AN EMPOWERMENT PARTNER OF CHOICE. AEEI INVESTS IN COMPANIES WITH THE FOLLOWING CHARACTERISTICS:

- Strong investment partners that are aligned with our strategic objectives
- Leading brand in its fields
- Defined growth strategy

RISKS RELATED TO OUR ACTIVITIES



RISK

- Financial
- Strategic
- Economic
- Human resources
- Technology
- Legal
- Environmental
- Operational



Refer to governance of risk management on pages 28 to 35 of the online corporate governance report for further information on the above risks.

PRODUCTS AND SERVICES PROVIDED BY THE GROUP

Through our various divisions, the following products and services are provided:

 <p>FISHING AND BRANDS</p>	<p>Sales, marketing and production of west coast rock lobster, south coast rock lobster, longline hake, squid, fishmeal, abalone and Seagro (organic fertiliser).</p>
 <p>EVENTS AND TOURISM</p>	<p>Events management, travel solutions as well as advertising and sponsorship income through the radio station.</p>
 <p>HEALTH AND BEAUTY</p>	<p>Manufacture, sales and marketing of an extensive range of natural products that are human, animal and plant safe and internationally recognised in the food, agriculture, hygiene and general health sectors. Imports and distributes four cosmetic brands from Europe and is the sole distributor of these products in Southern Africa.</p>
 <p>BIOTHERAPEUTICS</p>	<p>Focuses on healthcare applications and more specifically on the production of biopharmaceutical products (those that are derived from living genetically modified cells and are of a protein or carbohydrate nature).</p>
 <p>TECHNOLOGY (ASSOCIATES)</p> 	<p>The information and communications technology (ICT) group is a B-BBEE ICT group that provides effective business solutions and services that enhance business performance in government and to corporate customers. The ICT group comprises businesses that are leaders in their respective niche markets, have solid client bases and have achieved high levels of sustained organic growth. They offer numerous end-to-end solutions to a host of industries and continually adapt to the local and international ICT landscape. The process of adaptation was enabled by acquiring new businesses, partnerships and sourcing innovative technology within its existing portfolio.</p>

 *The above excludes our strategic investment portfolio. For further information refer to pages 114 to 134 of our responsible investments report.*

GROUP STRUCTURE



FISHING AND
BRANDS



EVENTS AND
TOURISM



HEALTH AND
BEAUTY



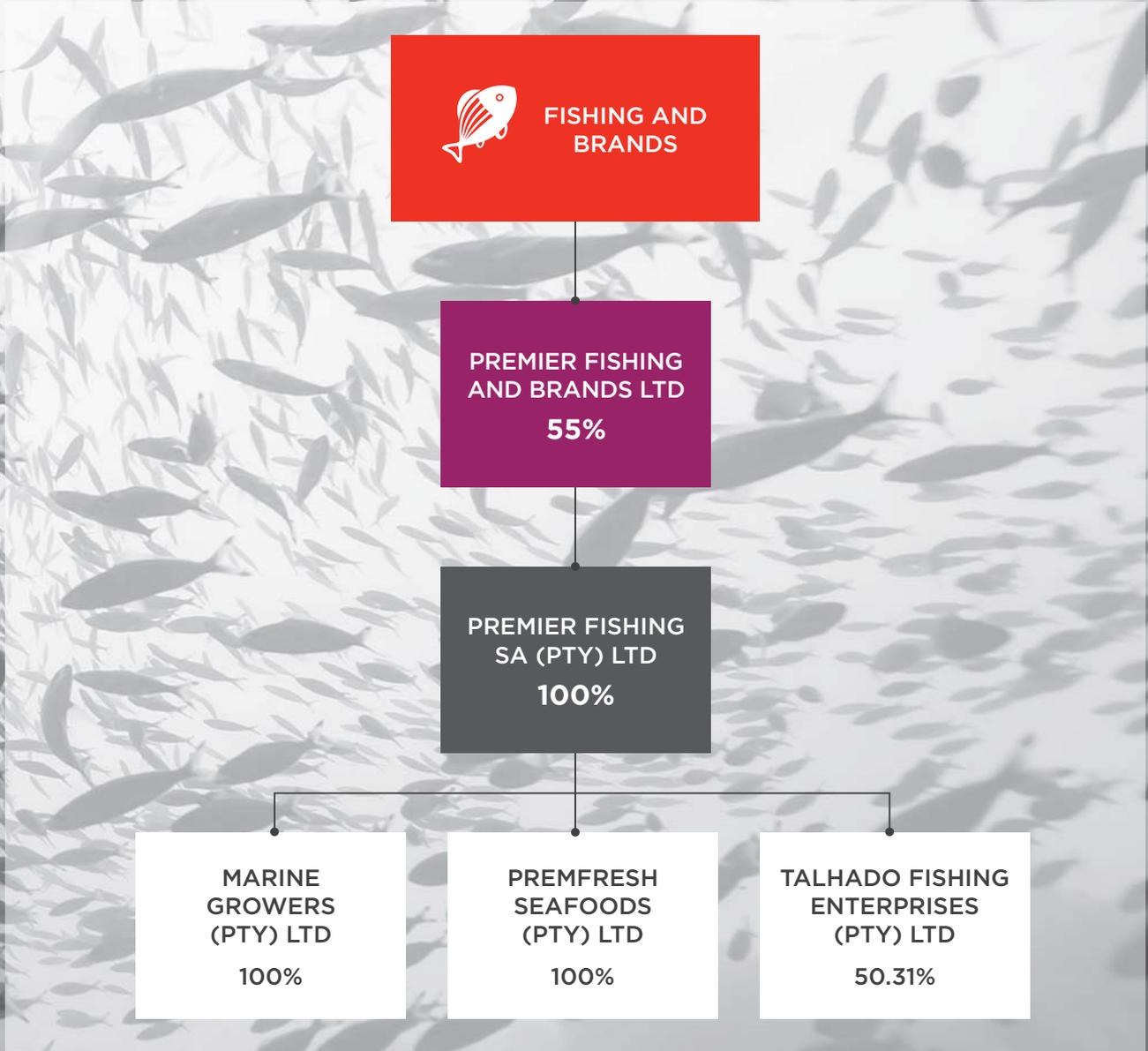
BIOTHERAPEUTICS



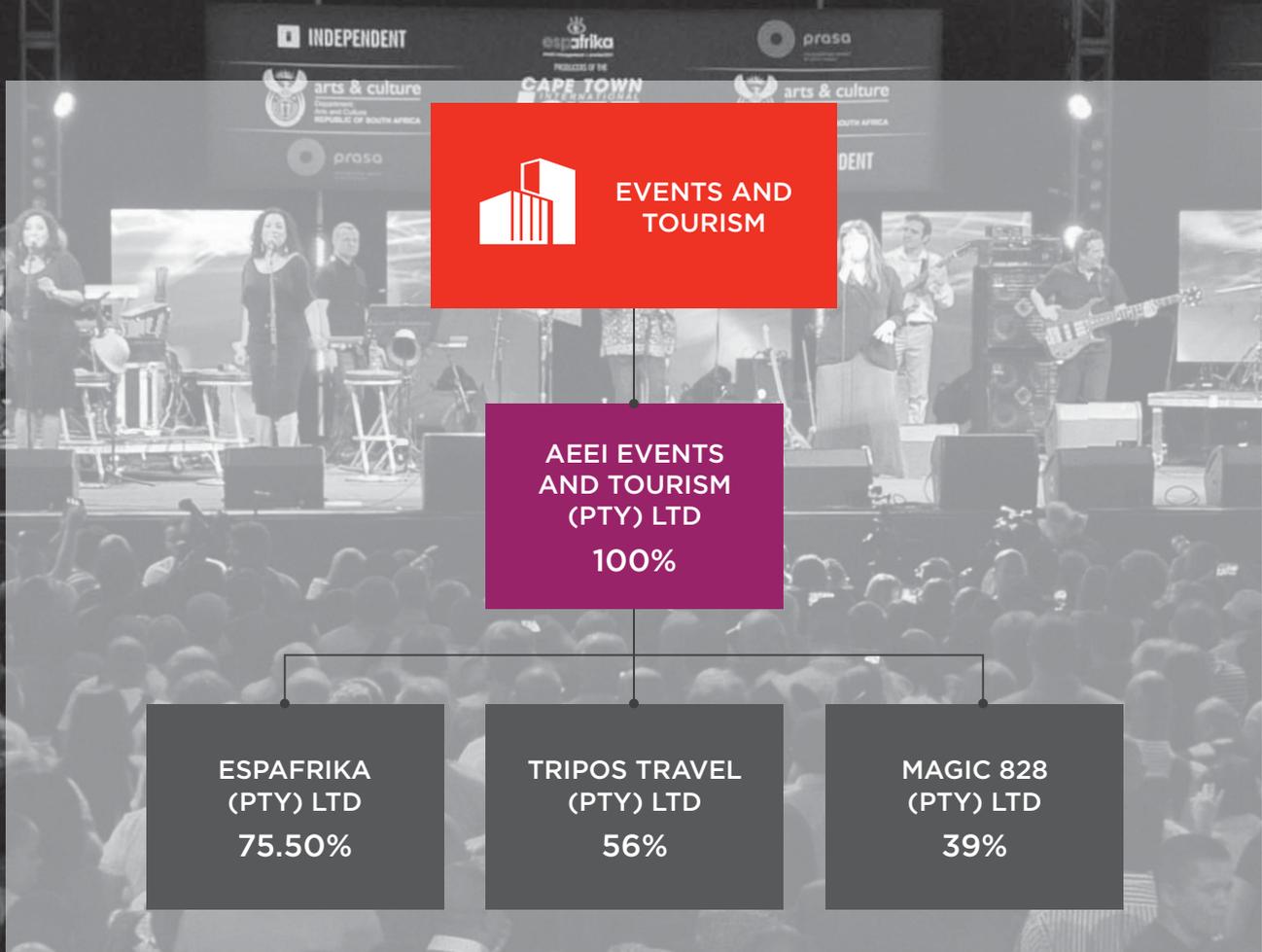
TECHNOLOGY
(ASSOCIATES)

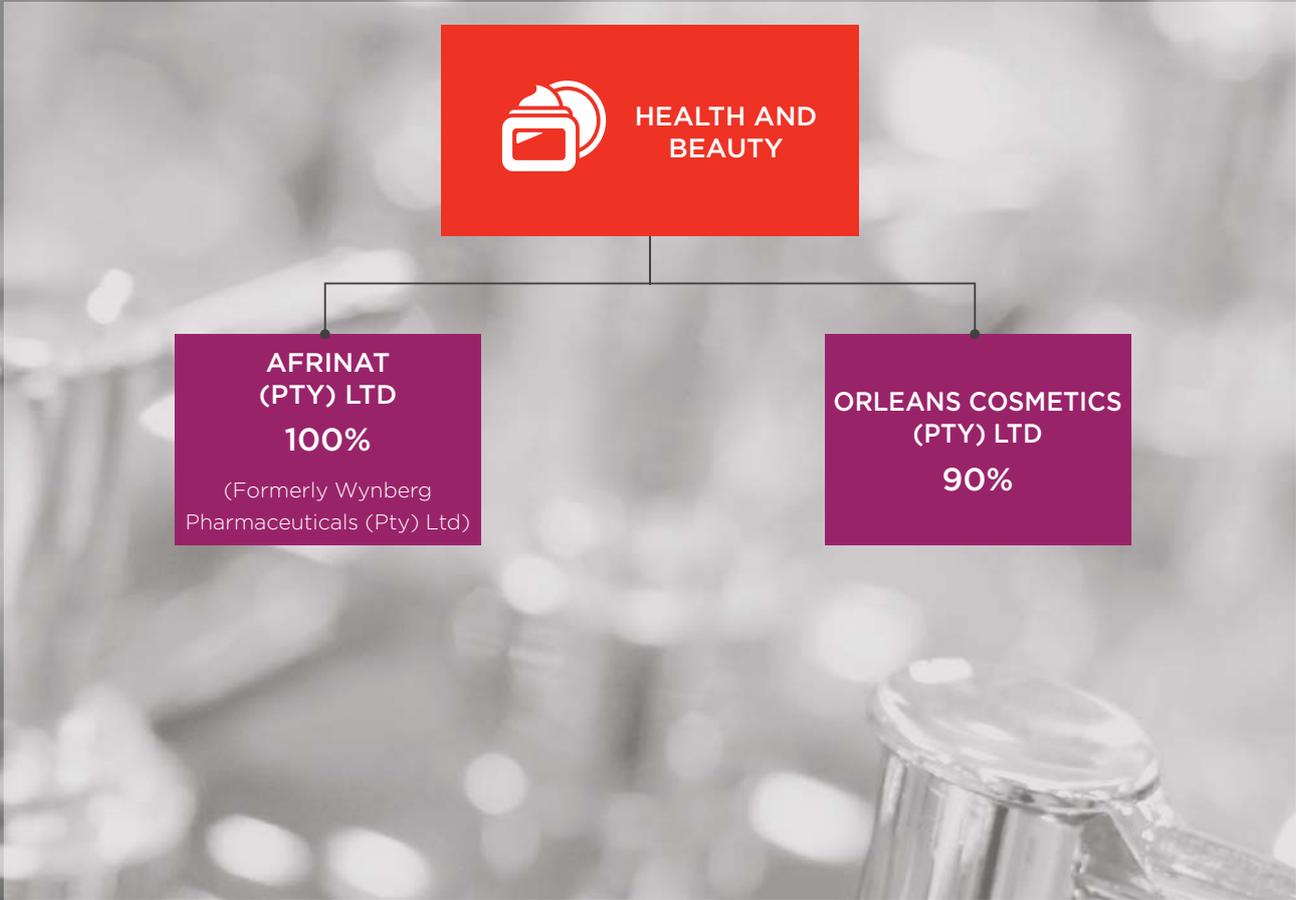


STRATEGIC
INVESTMENTS

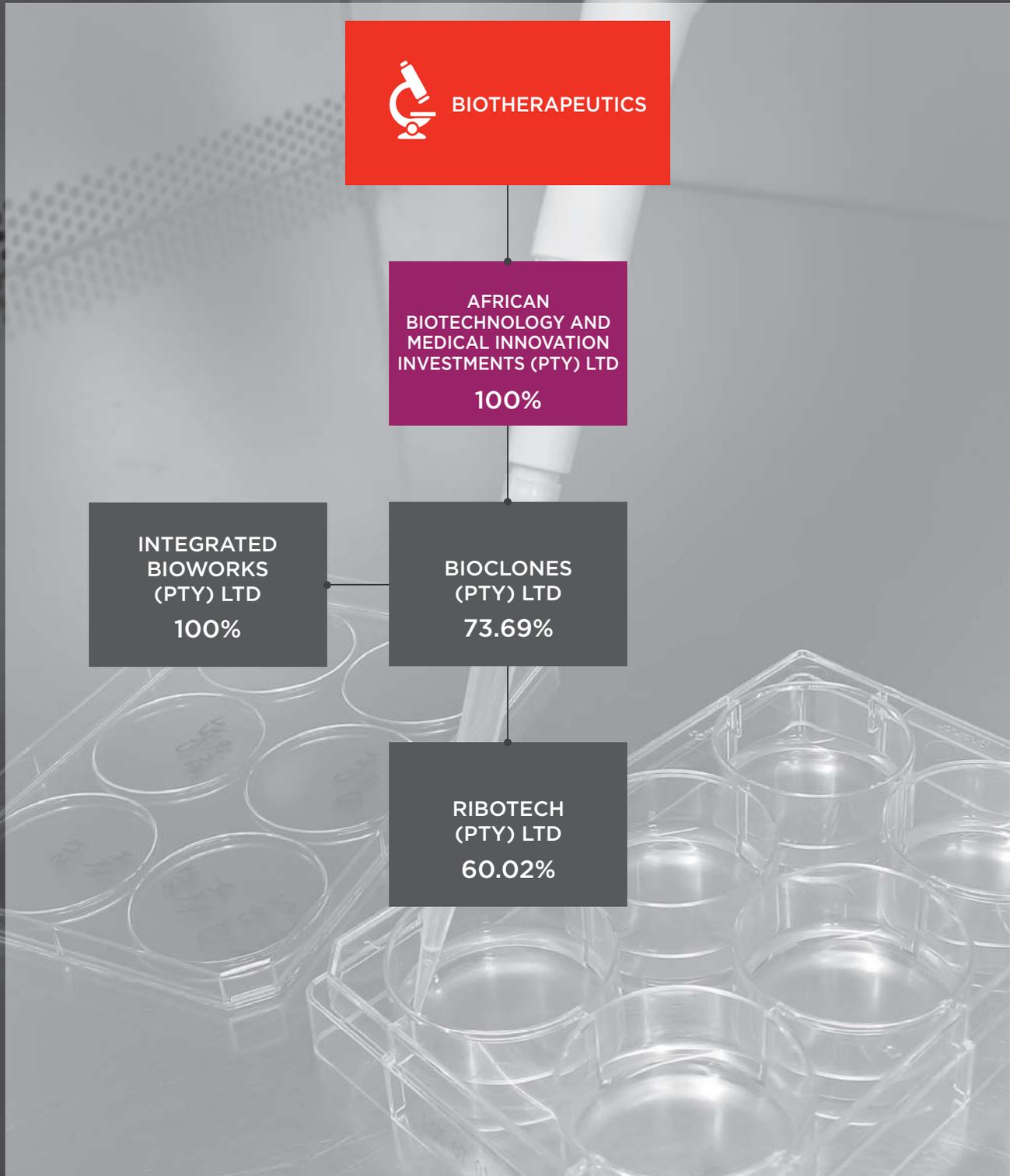


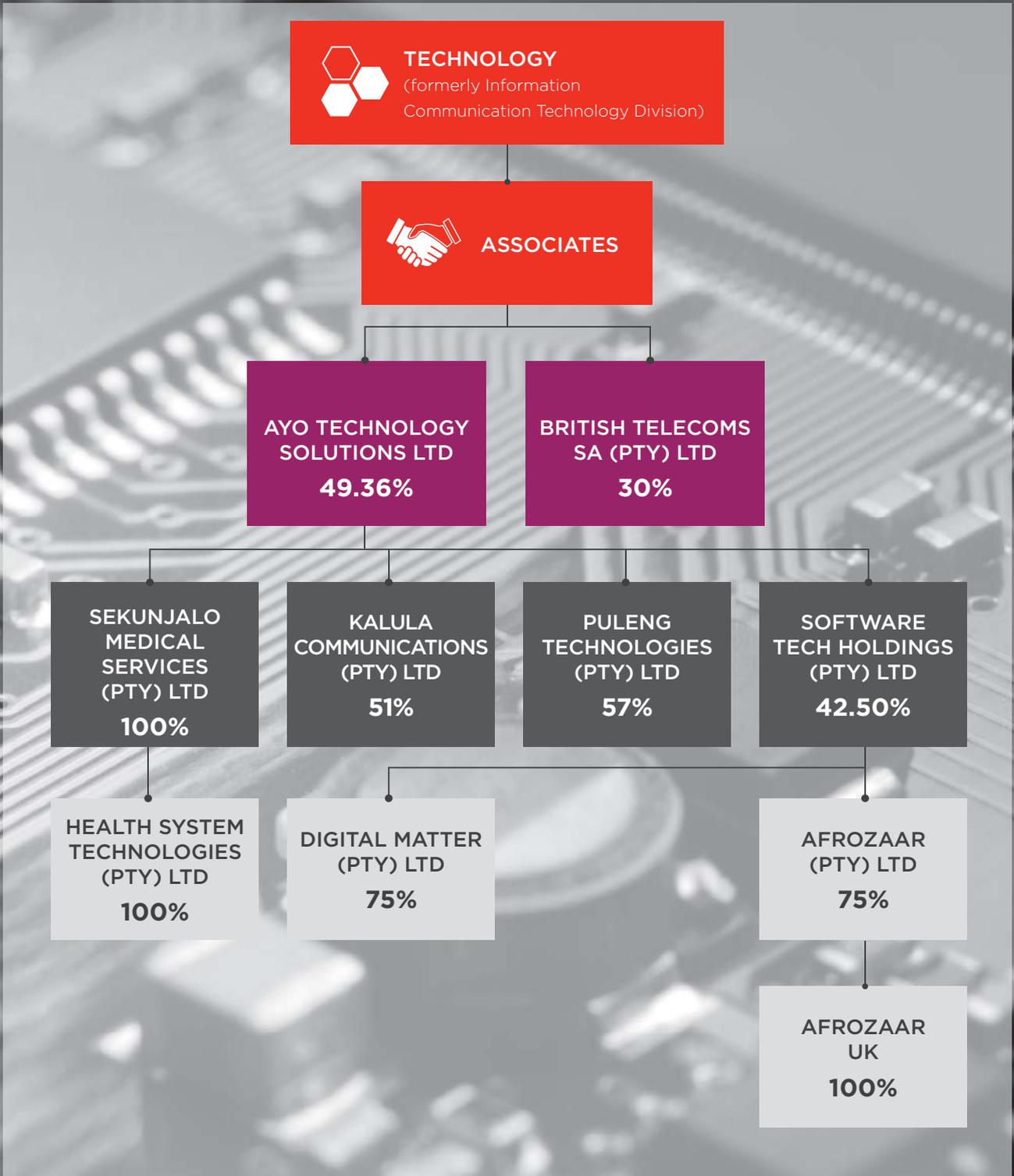
GROUP STRUCTURE – continued



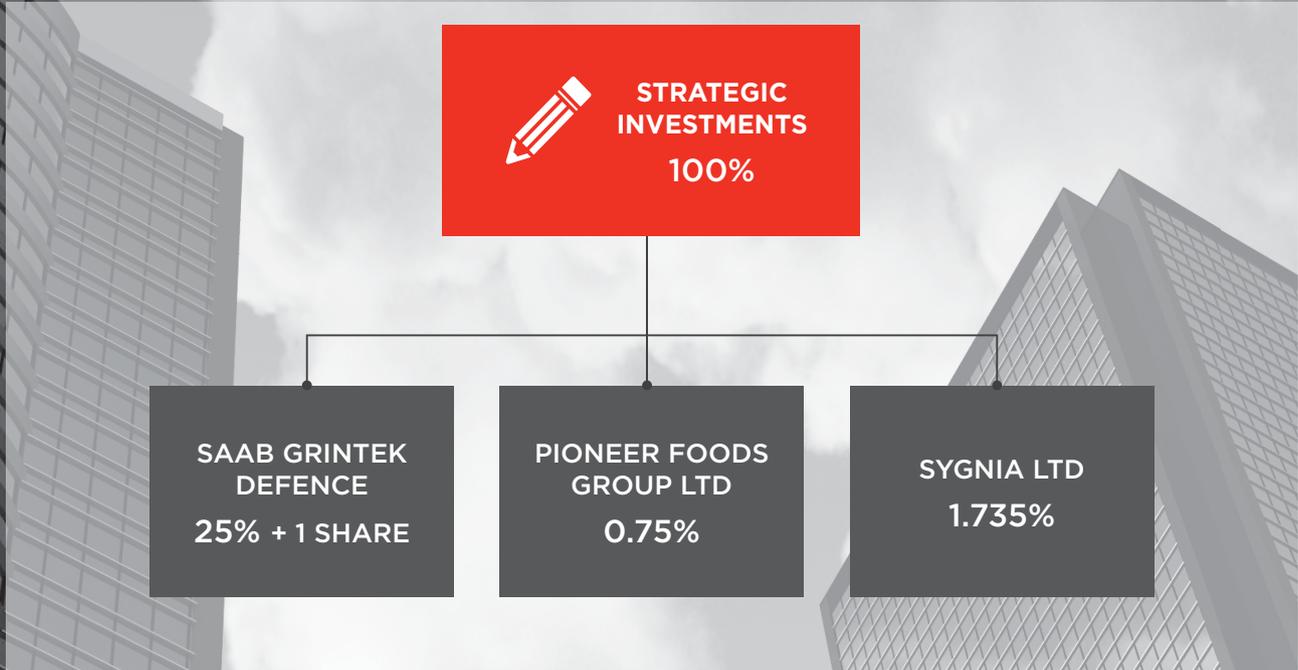


GROUP STRUCTURE – continued





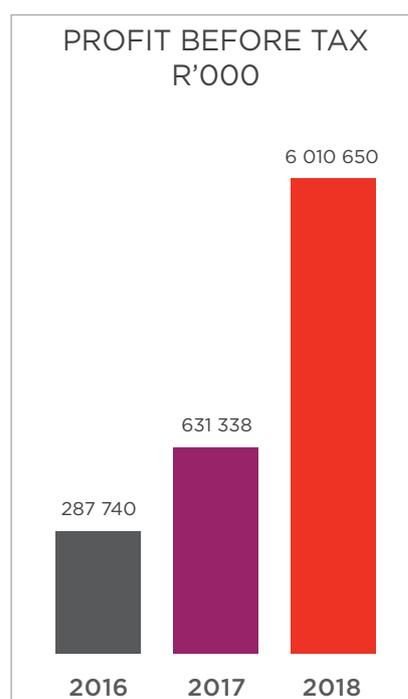
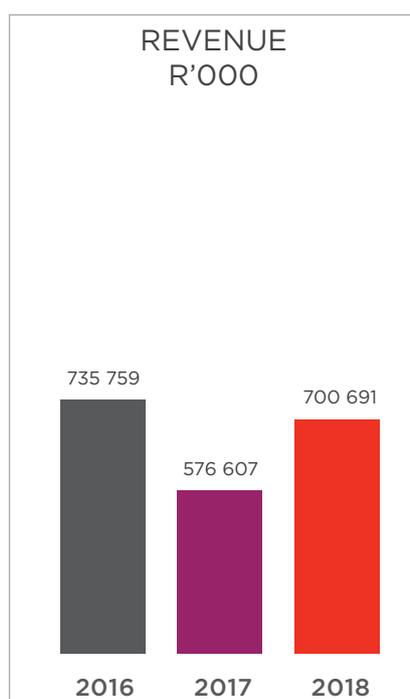
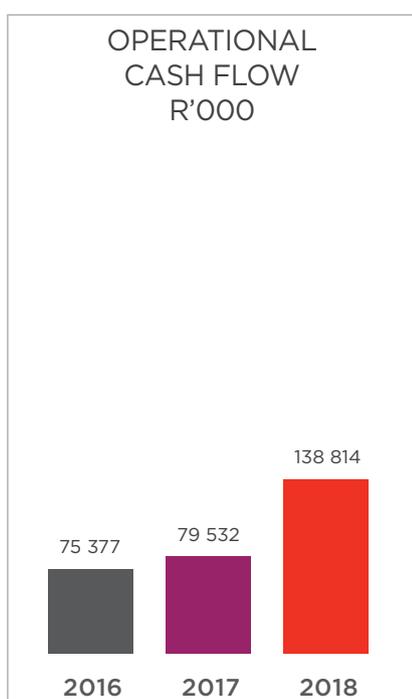
GROUP STRUCTURE – continued



FINANCIAL HIGHLIGHTS

	2018 R'000	Restated* 2017 R'000	2016 R'000	2015 R'000	2014 R'000
Revenue*	700 691	576 607	735 759	672 185	620 549
Profit before tax*	6 010 650	631 338	287 740	185 747	108 192
Profit after tax (including portion attributable to non-controlling interests)*	5 107 394	528 672	208 527	149 256	102 433
Headline earnings*	119 085	466 232	211 930	152 615	78 552
Net asset value - Group	5 665 049	2 038 120	1 001 035	804 549	665 072
Net asset value - Company	5 199 458	1 978 739	1 844 846	969 438	787 220
Total assets - Group	7 362 276	2 822 153	1 691 219	1 345 471	1 178 084
Total assets - Company	6 770 390	2 605 945	2 415 582	1 247 695	1 005 834
Earnings per share (cents)*	1 016.01	97.10	44.09	31.12	19.76
Headline earnings per share (cents)*	24.24	94.89	43.13	31.06	16.03
Net asset value per share - Group (cents)	999.25	260.00	186.52	144.93	115.81
Net asset value per share - Company (cents)	1 058.22	402.72	375.47	197.31	160.22

* These items have been restated.



FIVE-YEAR REVIEW

STATEMENT OF FINANCIAL POSITION

	2018 R'000	2017 R'000	2016 R'000	2015 R'000	2014 R'000
ASSETS	7 362 276	2 822 153	1 691 219	1 345 471	1 178 084
Property, plant and equipment	324 229	154 527	147 086	153 422	138 266
Intangible assets and goodwill	364 054	466 967	395 472	396 529	391 836
Investments, loans and other receivables	6 007 710	1 216 141	868 151	530 406	429 238
Deferred tax assets	9 158	17 578	17 310	16 162	11 901
Current assets	657 125	966 940	263 200	228 952	204 991
EQUITY	5 665 049	2 038 114	1 001 035	804 549	665 072
Equity attributable to equity holders of the parent	4 909 691	1 277 487	916 452	712 106	569 036
Non-controlling interest	755 358	760 627	84 583	92 443	96 036
LIABILITIES	1 697 227	784 033	690 184	540 922	513 012
Non-current financial liabilities	208 605	250 256	265 210	115 622	137 446
Deferred tax liabilities	1 278 257	211 046	299 102	239 015	210 489
Current liabilities	210 365	322 376	130 176	186 285	165 077
Liabilities of disposal	-	(360)	-	20 000	1 852
Net asset value					
Group	5 665 049	2 038 120	1 001 035	804 549	665 072
Company	7 291 224	1 978 739	1 844 846	969 439	787 220
Net asset value per share (cents)					
Group	999.25	260.00	186.52	144.93	115.81
Company	1 483.95	402.72	375.47	197.31	160.22

STATEMENT OF COMPREHENSIVE INCOME

	2018 R'000	Restated* 2017 R'000	2016 R'000	2015 R'000	2014 R'000
Revenue*	700 691	576 607	735 569	672 185	620 549
Profit before depreciation and amortisation (EBITDA)*	6 026 353	655 379	331 068	208 841	118 128
Profit before taxation*	6 010 650	631 338	287 740	185 747	108 192
Taxation	(1 062 789)	(155 029)	(79 332)	(36 491)	(5 759)
Profit for the year from continuing operations*	4 947 861	487 598	216 504	149 256	102 433
(Loss)/profit for the year from discontinued operations*	159 533	41 074	119	-	-
Profit for the year	5 107 394	528 672	208 527	149 256	102 433
Attributable to:					
Equity holders of the Company	4 992 064	477 089	216 623	152 897	96 802
Minority interests	115 330	51 583	(8 096)	(3 641)	5 631
Headline earnings	119 085	466 232	211 930	152 615	78 552
	cents	cents	cents	cents	cents
Earnings per share	1 016.01	97.10	44.09	31.12	19.76
Headline earnings per share	24.24	94.89	43.13	31.06	16.03
Diluted earnings per share	1 016.01	97.10	44.09	31.12	19.76

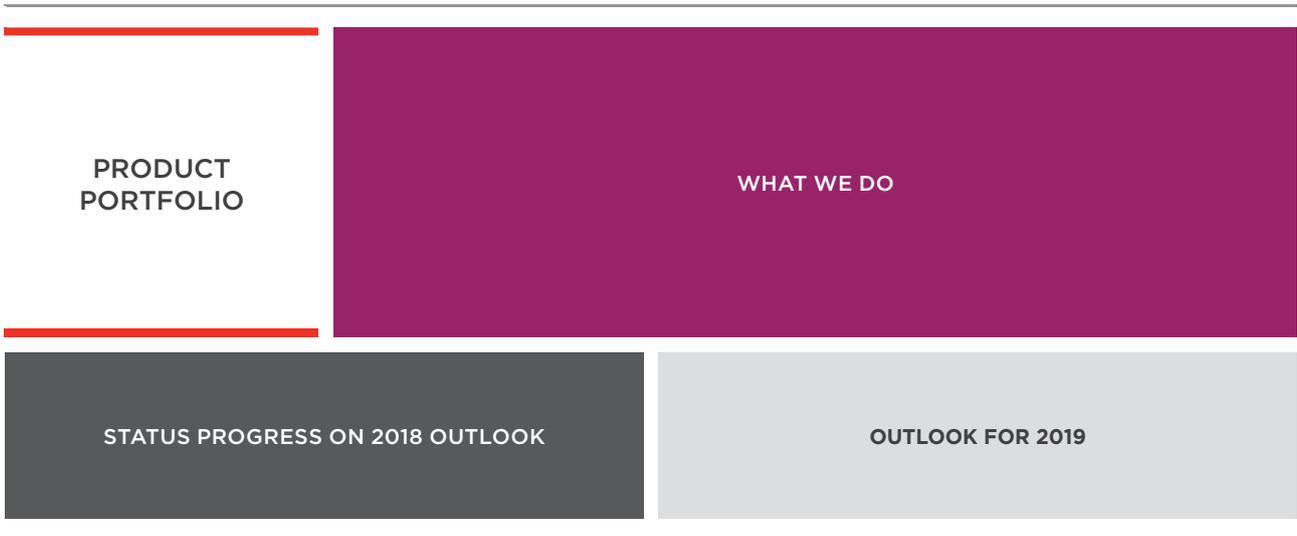
CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES

IN THE SHORT, MEDIUM AND LONG-TERM

African Equity Empowerment Investments Limited is a leading black economic empowered JSE-listed company that creates value for its stakeholders through its innovative and sustainable business model, concise strategy, diverse product portfolio, through our subsidiaries, associates and strategic investments, complemented by our experienced and empowered leadership team focuses on stakeholder wealth creation as well as our communities.

SEGMENTAL OVERVIEW

RESPONSIBLE INVESTMENTS





FISHING AND BRANDS

WHAT WE DO

Premier Fishing and Brands Ltd (Premier) listed on the JSE in March 2017. Premier Fishing SA (Pty) Ltd, a division of Premier Fishing and Brands, is the largest 100% black-owned fishing Company in South Africa. The Premier Group holds medium to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics, hake deep sea trawl, hake longline and squid. The Premier Group owns an abalone farm and also invests in organic agriculture and processes wild abalone.

STATUS PROGRESS ON 2018 OUTLOOK

- A 20% increase in revenue to R491m from R411m in 2017
- Delivered sustainable returns to shareholders – *achieved and ongoing*
- The acquisition of a 50.31% stake in Talhado Fishing Enterprises (Pty) Ltd – *achieved**
- The construction of the hatchery at the abalone farm was completed and is anticipated to produce six million animals per year – *achieved*
- Doubled the spat production on the existing hatchery at the abalone farm – *ongoing**
- 40 tons of additional holding capacity was installed for the farmed abalone – *achieved*
- Increased factory utilisation through the newly established trading operation – *achieved and ongoing*
- Implemented a centralised procurement for the entire Group – *achieved and ongoing*
- Abalone farm – 150 tonnes production capacity near completion – *ongoing*
- Employment created for 60 people at the abalone farm – *ongoing*
- Continue with the expansion of the abalone farm through a phased approach – *ongoing*
- Increase abalone spat production once expansion of the abalone farm is complete – *ongoing*
- Further installation of renewable energy through a phased approach – *ongoing*
- Continuous growth of outside quota holders – *ongoing*
- Explore growth opportunities in the market – *ongoing*
- Product diversification to further penetrate foreign markets – *ongoing*
- Procure fish species for local and international markets and enhance marketing capacity – *ongoing*
- Assisted small businesses to grow and add value – *achieved and ongoing*
- Continued to drive an efficient cost base – *achieved and ongoing*
- Enhanced planning to increase catch rates – *achieved and ongoing*
- Acquisition of small to medium-sized fishing companies – *ongoing*

OUTLOOK FOR 2019

- Deliver sustainable returns to shareholders
- Create employment for 200 people at the abalone farm
- Acquisition of additional small to medium-sized fishing companies
- Continue with the expansion of the abalone farm through a phased approach
- Further increase abalone spat production once expansion of the abalone farm is complete
- Complete the canning factory at the abalone farm
- Further installation of renewable energy through a phased approach
- Continuous growth of outside quota holders
- Explore growth opportunities in the market
- Product diversification to further penetrate foreign markets
- Explore the procurement of fish species for local and international markets
- Explore the enhancement of the Group's marketing capacity
- Explore other growth opportunities that exist in the market with outside quota holders
- Continue to explore innovative fishing and production techniques

* Not included in the Outlook for 2018, but has been achieved.



CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES – continued



EVENTS AND TOURISM

WHAT WE DO

This division features a cutting-edge global competitive company in events management and travel solutions. Over the past decade, the events company staged international music festivals throughout Africa and under the Cape Town International Jazz Festival brand; the festival has been named the fourth best jazz festival worldwide. In 2016 it was voted one of the World's Best Festivals by FEST 300 and voted the Best Festival in Cape Town in the OFLOCAL 2015 poll. Included in this division is a travel and tourism company and a Medium Wave commercial music radio station.

STATUS PROGRESS ON 2018 OUTLOOK

- Successfully launched new music events – *achieved and ongoing*
- Further develop the Royal Escape Experience Brand – *ongoing*
- Secure sponsorship for existing and new events – *ongoing*
- Expand into new markets outside South Africa – *ongoing*
- Continue working on customer service through educational trips, training and workshops for employees – *achieved and ongoing*
- Meet performance targets in the travel sector – *partially achieved and ongoing*
- Grow the corporate client market in the travel sector – *ongoing*
- Work towards further extending our footprint outside the Western Cape in the long-term – *achieved and ongoing*
- Develop, promote and sell outbound travel packages – *ongoing*
- Increase brand awareness and listenership – *ongoing*
- Extend broadcasting via programming – *ongoing*
- Increase advertising – *ongoing*
- Increase their broadcast area – *ongoing*
- Further growth in listenership – *ongoing*

OUTLOOK FOR 2019

- Successfully launch new music events
- Continue to develop the Royal Escape Experience Brand
- Secure sponsorship for existing and new events
- Expand into new markets outside South Africa
- Develop, promote and sell inbound packages for Southern Africa
- Evaluate prospects for acquisitions in the inbound tourism sector
- Promote and sell outbound leisure packages
- Work closely with suppliers to provide the best deals to clients
- Sell niche packages for the Harley Davidson Tours
- Grow the corporate client market in the travel sector
- Continue to work towards further extending our footprint outside the Western Cape in the long-term
- Develop, promote and sell outbound travel packages
- Further increase brand awareness and listenership
- Look at opportunities to expand Magic828 through government business
- Extend broadcasting via programming
- Increase advertising
- Perform at various community events
- Continue to explore joint ventures in marketing and advertising
- Increase their broadcast area by going digital
- Explore an e-Entertainment magazine with another entity



More information on page 117.



HEALTH AND BEAUTY

WHAT WE DO

This division manufactures, sells and markets an extensive range of natural products for the food, agriculture, hygiene and general health sectors, and also imports and distributes four cosmetic brands from Europe.

STATUS PROGRESS ON 2018 OUTLOOK

- Conclude joint venture negotiations in two sectors - *ongoing*
- Expand into new sectors with innovative products - *ongoing*
- Retention of business - *ongoing*
- Expand into new markets outside South Africa - *achieved and ongoing*
- Work towards a future listing - *ongoing*
- Focus on strengthening cosmetic brands - *achieved and ongoing*
- Explore additional agencies in fragrance and make-up - *ongoing*
- Moved from research to commercialisation - *achieved**
- Introduction and successful registration of 15 products - *achieved**
- Introduction of pre-harvest products - *achieved and ongoing**
- Growth in the hygiene and sanitation sector - *achieved and ongoing**

OUTLOOK FOR 2019

- Growth of product portfolio into other sectors
- Conclude joint venture negotiations in various sectors
- Expand into new sectors with innovative products
- Retention of business
- Expand into new markets outside South Africa
- Work towards a future listing
- Focus on strengthening brands presence
- Explore additional agencies in fragrance and make-up
- Launch exclusive agencies in fragrance
- Work towards launch of make-up to retailers
- Diversify products and markets

* Not included in the Outlook for 2018, but has been achieved.

 [More information on page 124.](#)

CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES – continued



BIOTHERAPEUTICS

WHAT WE DO

This division researches and develops biopharmaceuticals and biosimilars for commercialisation, and also healthcare applications for the production of biopharmaceutical products.

STATUS PROGRESS ON 2018 OUTLOOK

- Work towards a future listing of the business – *ongoing*
- Pre-clinical work on breast cancer – *ongoing*
- Infrastructure and facility improvements – *ongoing*
- Regulatory and preparation process validation for production – *ongoing*
- Development work on cancer immunotherapy – *ongoing*
- Development for biosimilar drug – *ongoing*
- Production of protein-based reagents for use in research laboratories and industrial applications – *ongoing*

OUTLOOK FOR 2019

- The Company is finalising negotiations with an international partner to add four additional products to their portfolio of biosimilars
- This partnership entails a technology transfer to facilitate more efficient production of all products and final formulation which negates the need for cold chain
- Support from government to develop skills in this sector and increase employment in order to provide lower healthcare costs
- All approvals have been met for phase 1 human clinical trial in breast cancer patients and trial work is scheduled for 2019
- Pre-clinical work on other diseases such as incurable tuberculosis and lung cancer has started, with three additional cancers to follow in 2019



More information on page 129.



WHAT WE DO

The Group’s subsidiary, AYO Technology Solutions Ltd (AYO) was listed on the main board of the JSE on 21 December 2017 as a leading B-BBEE ICT company with strong management expertise and a sound track record. Subsequent to the listing, AYO became an associate on 24 August 2018 as AEEI now owns 49.36% of AYO.

The AYO Group comprises businesses that are leaders in their respective niche markets with solid client bases and that have achieved high levels of sustained organic growth.

AYO is a B-BBEE ICT Group offering numerous end-to-end solutions to a host of industries. The AYO Group was established in 1996 and has evolved by continually adapting to the local and international ICT landscape. The process of adaptation was enabled by acquiring new businesses, partnerships and sourcing innovative technology within its existing portfolio.

AYO, through its divisions, subsidiaries and partners, provides solutions to both the public and private sectors within South Africa and abroad, with its private sector client base comprising mostly blue chip multinationals. The AYO Group maintains strong relationships and holds key value-added reseller or supplier agreements with principles such as Nokia Siemens Networks South Africa (Pty) Ltd, InterSystems Corporation, Cisco Systems, Microsoft Corporation, IBM and Riverbed Technology Inc., which provide the Group with continuous access to up to date technology.

The AYO Group has a strategic relationship with BT Communications Services South Africa (Pty) Ltd (BT). Their solutions include: specialist provider of optimised and integrated healthcare ICT solutions; network services; collaboration services, including Immersive Telepresence, Managed local area network (LAN) and information processes and technology (IPT) Services, System Integration, Enterprise Security Management, Converged Infrastructure, Enterprise Storage Management, Efficiency and Waste Management, Audio Technology Provider and Unified Communications; mobile solutions; strategic digital services; and asset tracking.

STATUS PROGRESS ON 2018 OUTLOOK

- Expanded on Proof of Concept implementation and established an Electronic Health Record (EHR) in African countries – *achieved*
- Expanded clinical functionality at existing clients and explored data warehouse solutions: Version 2 of Electronic Continuity of Care delivered in 2018 and ongoing Research and development on EHR – *achieved*
- Expanded into the South African private healthcare ICT sector – *achieved*
- Developed and continue to develop opportunities to become a technology provider of choice – *achieved and ongoing*
- Explored the acquisition of companies with complementary technologies and services while growing organically through new developments – *achieved and ongoing*
- Expanded into new sectors with innovative products, and also developed and continued implementing a Health Insurance Management system for the Nigerian National Health Insurance in Kano – *achieved*
- Retained and also grew business at existing clients in the UK’s in-country digital partnership manager – *achieved and ongoing*

OUTLOOK FOR 2019

- Expand product portfolio to increase revenue
- Expand client base into fuel and non-fuel tanker fleets
- Expand into new sectors with innovative products
- Further develop opportunities to become a technology provider of choice
- Retain business won and continue to grow client base
- Further expand into new global markets
- Continue to expand on Proof of Concept implementation and establish an EHR in African countries

CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES – continued

STATUS PROGRESS ON 2018 OUTLOOK (continued)

- Expanded UK client base – *achieved*
- Defined a larger product strategy and marketing campaign to educate and influence targeted markets – *achieved*
- Productisation of platforms for self-service trials and activation (defined a world-first comprehensive digital publishing suite of products: The Publisher's Toolbox) – *ongoing**
- Establish strategic partnerships with respective cloud service providers – *achieved**
- Transition from digital marketing agency to digital transformation advisory – *achieved**
- Tracking revenue continues to grow – *achieved and ongoing*
- New InsOne customers and expanded their footprint in key accounts*
- New customers in Africa (i.e. Angola and Namibia) – *achieved*
- Delivered sustainable returns to shareholders – *achieved and ongoing*
- Well controlled and managed operating expenses – *achieved and ongoing*
- Increased effort in customer engagement resulted in increased revenue – *achieved*
- Penetrated the lower end of the market to cater for smaller contact centres and unified communications customers – *achieved*

OUTLOOK FOR 2019 (continued)

- Develop further opportunities to become a technology provider of choice
- Continue to explore the acquisition of companies with complementary technologies and services while growing organically through new developments
- Continue expansion in consulting service offerings in the international market and improve market positioning
- Grow product portfolio in the digital publishing and marketing sector
- Create and use a unique, consistent and persuasive consulting experience that attracts new clients and engages existing clients
- Grow the footprint of certain projects into the rest of the clients' operations

* Not included in the Outlook for 2018, but has been achieved.

 More information on page 132.



STRATEGIC INVESTMENTS

WHAT WE DO

The Group's strategic investments consist of stakes in Saab Grintek Defence (Saab), Pioneer Foods Group (Pioneer Foods) and Sygnia Ltd.

2018 PROGRESS

- Reviewed further business opportunities within our current strategic investments – *ongoing*
- Increase stakes in existing strategic investments – *ongoing*
- Continued to look for and explore further opportunities in new strategic investments – *ongoing*
- Acquire further strategic investments – *ongoing*

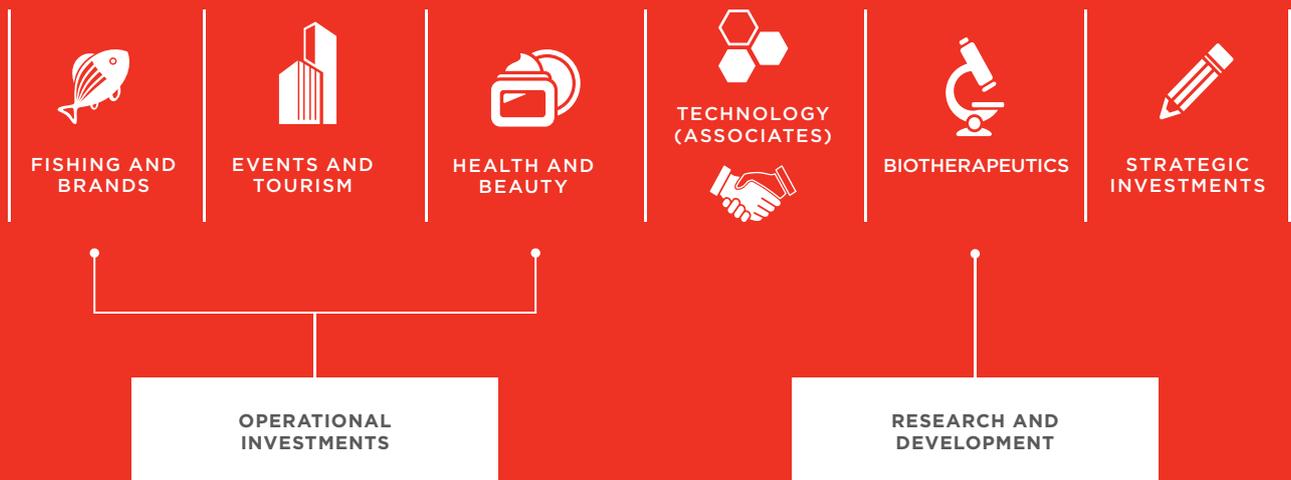
OUTLOOK FOR 2019

- Continue to review further business opportunities within our current strategic investments
- Look at opportunities to increase our stakes in existing strategic investments
- Explore opportunities to acquire further strategic investments
- Continue to pursue opportunities in new strategic investments

 More information on page 135.

VISION 2020 VISION

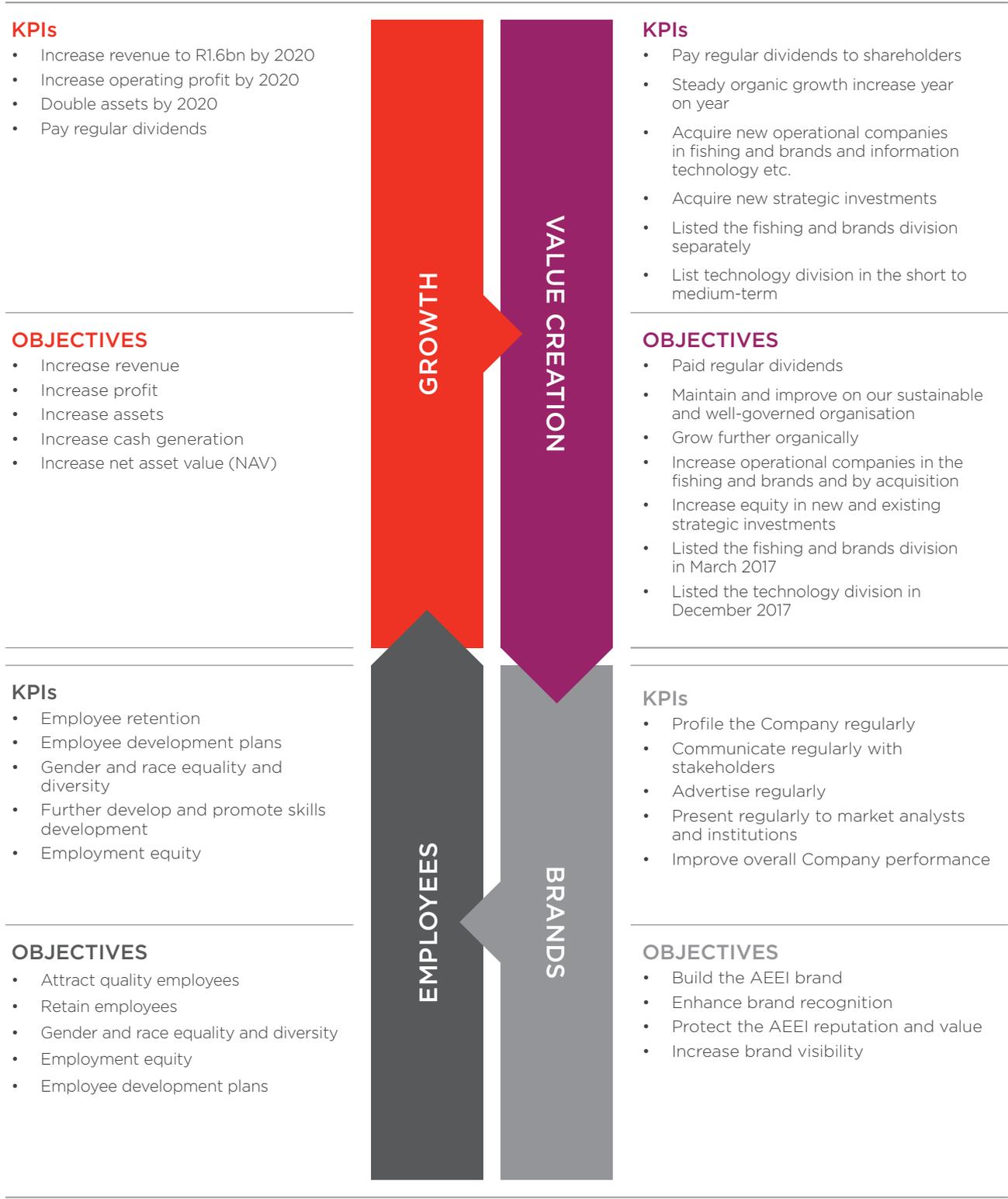
ORGANISATIONAL STRUCTURE



VISION 2020 VISION – continued

BUSINESS MODEL AND STRATEGIC OBJECTIVES

CREATING STAKEHOLDER VALUE



OUR STRATEGY TO 2018 AND VISION 2020 VISION

“The future belongs to those who see possibilities before they become obvious.”

John Scully

AEEI's business model, investment approach and philosophy resulted in it acquiring control of the majority of its operational investments as well as holding a significant minority stake in its associates and minority equity in strategic investments. This enables AEEI to add value through its extensive expertise and networks, while promoting a cascading entrepreneurial culture from management down to our employees. Through our assets and investments, we drive the businesses to become efficient on a sustainable basis, which generates revenue, dividends and cash flow to support the Group as a whole.

The Group's businesses remain on track to deliver on its growth plans and goals towards achieving its Vision 2020 Vision strategic plan for the 2020 financial year.

Through AEEI's achievement of economic growth and its social contract, it remains one of the few companies to have consistently topped the rankings in its sectors overall over the past few years. As a result of AEEI being recognised for its leadership qualities in the transformation of society and its innovative business model in South Africa, the Company continues to be invited to participate in a number of global forums and multilateral organisations.

One of AEEI's key strategic objectives is to create sustainable value for all its stakeholders and to integrate sustainable development into its strategy, governance, management and reporting, with the objective of reducing the negative impact on the environment.

AEEI's financial strategy is to grow through acquisitions and to leverage the existing portfolio by maximising the net asset base and improving cash generation, thereby growing income sustainably and managing its costs.

AEEI's strategic approach to risk is to regularly assess whether the risk process is effective in identifying and evaluating risks and to determine whether the business operations have managed the risks in line with the Group's strategy while considering mitigation action and the overall sustainability of the business.

The Board of directors delegated the action plans to the Group's executive management for implementation with clear deliverables. The Group's executives provide feedback at the quarterly Board meetings on progress made.

The following high-level KPIs are ongoing in terms of our Vision 2020 Vision:

- Double revenue
- Increase operating profit substantially
- Increase operational cash flow significantly
- Increase NAV significantly
- Substantially increase or double total assets
- Regularly pay dividends to shareholders
- Create medium to long-term shareholder value

VISION 2020 VISION – continued

- Develop positive director and stakeholder involvement in the strategy
- Building the AEEI brand
- Create employment and opportunities for employee growth
- Create a Group that leads in both profits and sustainable business practices

Listed below are the Group's achievements towards its Vision 2020 Vision:

- Group restated revenue grew to R701m from R577m
- Group restated profit before tax grew to R6.01bn from R631m
- Cash generated from operations increased from R80m to R131m
- Group NAV increased from R2bn to R5.6bn
- Group assets grew to R7.4bn from R2.8bn
- Listed the fishing and brands division in March 2017
- Acquired a 50.31% stake in a fishing company
- Listed the technology division in December 2017
- A significant reduction in debt to equity
- Solid cash management
- Payment of dividends and interim dividend
- Continued to deliver sustainable growth and clarified future investment opportunities
- Continued to build a resilient organisation for the future
- Improved return on investment by developing opportunities that can deliver medium to long-term earnings growth
- Provided a safe and healthy workplace and strived to reduce the environmental footprint of products and operations and supported local communities
- Engaged with and further developed a diverse supplier base and enterprise development clients
- Strengthened management systems that govern responsible operations
- Pursued partnerships with key stakeholders and formed joint venture initiatives to promote localisation
- Identified opportunities for local manufacture and the promotion of skills transfer
- Fostered equality within our work environment irrespective of gender, race, creed and other forms of diversity
- Developed personal plans for employees and promoted performance management
- Continued to build and retain critical skills and leadership capabilities
- Further promoted skills development and learnership programmes
- Continued to drive meaningful improvement in ensuring we have a diverse and inclusive workforce
- Continued to build leadership capacity among women
- Continued to engage with our employees at all levels, which provided us with the necessary feedback and input to improve their skills and training needs
- Ensured full compliance with the changing regulatory requirements

AEEI continues to nurture its foundation businesses and sustain the momentum of its Vision 2020 Vision. The Group also continues to support the development of a positive public attitude through increased innovation, the stimulation of green enterprises, upskilling new and existing employees and managers, investing in research and development and developing research centres relevant to our industry and intellectual property. The achievement of excellence in the execution of our investments also sustained and improved our competitive advantage.

OUR COMMON VISION AND COMMON OBJECTIVES

OUR SHARED VALUES

To our Group, shared value means understanding stakeholder expectations and societal needs, and communicating through stakeholder engagements.

WE ARE DRIVEN BY OUR VALUES

RESPECT AND TRUST



To always respect and trust fellow employees, customers, partners and all stakeholders.

PEOPLE



To always respect fellow employees, partners and all stakeholders. To provide sustainable employment opportunities for our employees and others as well as a safe and secure working environment and to maintain zero fatalities. To develop, attract and retain the correct skills and structures to meet and support our strategic growth.

INTEGRITY



To always act with integrity in whatever we do based on our values, principles, Code of Ethics and Code of Conduct.

ACCOUNTABILITY



To have responsible and accountable leaders who address the expectations of diverse stakeholders and who embrace their responsibilities with efficiency.

STAKEHOLDERS



To serve our stakeholders through good corporate governance, value creation and affordable products and services.

COMMITMENT



To deliver on our promises and add value beyond expectations.

INVESTMENT



To stimulate investment in the areas of green enterprises, social innovation and societal development.

VISION 2020 VISION – continued

OUR COMMON OBJECTIVES

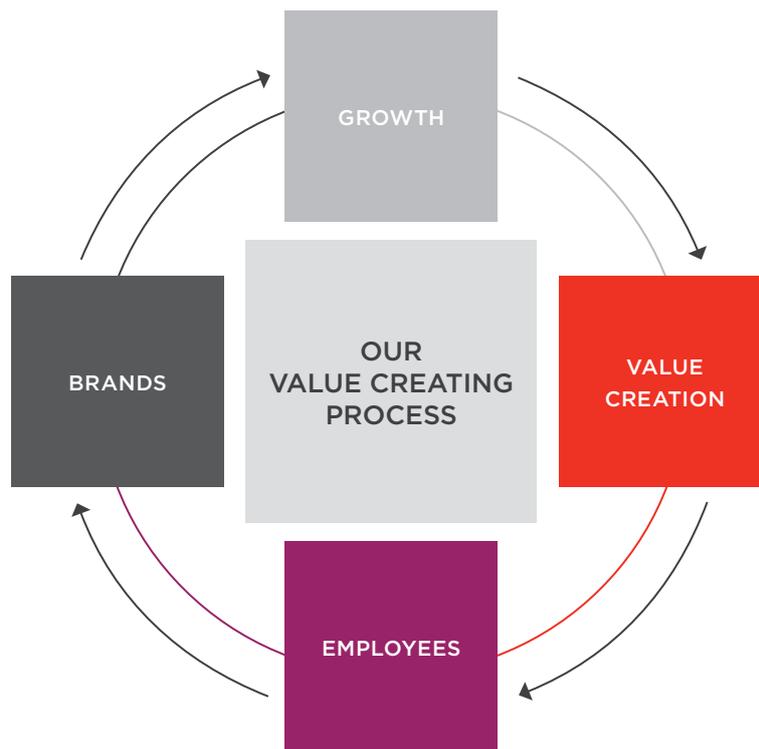
To sustain profitability by partnering with communities and government in a social contract to achieve economic growth and giving more South Africans access to this growing prosperity.

OUR COMMON GOAL

To ensure that the Group delivers long-term value to all its stakeholders; increases shareholder wealth, economic transformation and the development and upliftment of social communities; and builds long-term stakeholder relationships.

OUR INTEGRATED VALUE CHAIN

The Group continuously assesses innovative ways to sustain its existing businesses by adapting to changing environments and through our acquisition and new business development approaches. With our risk management approach and the impact of changing markets, competitors and the economic environment, management is constantly aware of how the Group can improve sustainability through constant change.



VALUE CREATION USING THE SIX CAPITALS

When making decisions on how to manage and grow our businesses, AEEI takes into account the six capitals, including the resources required. These are critical to AEEI's ability to create value. AEEI uses the input of each capital for the effective production and delivery of products and services, thereby creating value for our stakeholders.

 <p>FINANCIAL CAPITAL</p>	 <p>HUMAN CAPITAL</p>	 <p>MANUFACTURED CAPITAL</p>
<p>Creating and sustaining shareholder value and funding growth projects through the responsible use of access to capital, cash generated, use of assets as well as investing in strategic investments</p>	<p>We aim to provide a safe and healthy workplace with equal opportunities by addressing the shortage of skills, productivity, race and gender diversity and excellence through employee retention, training and skills development</p> <p>We want our employees to be proud ambassadors</p> <p>Continue to develop personal growth plans for employees and promote performance management</p>	<p>Having leading facilities, providing quality products and services and capital investment in our businesses to enable them to operate assets safely and reliably</p> <p>Continuously innovate to deliver sustainable solutions and capacity to accommodate expansion</p>
 <p>INTELLECTUAL CAPITAL</p>	 <p>SOCIAL AND RELATIONSHIP CAPITAL</p>	 <p>NATURAL CAPITAL</p>
<p>Retaining our intellectual capital, which includes our unique customer solutions, brands, knowledge-based assets, patents, copyrights, software, licences, protocols and procedures</p> <p>Maintaining and forming new strategic partnerships, and being an empowerment partner of choice</p>	<p>Attaining this capital through effective stakeholder engagement initiatives and being leaders in transformation and social responsibility</p>	<p>Doing business in an environmentally friendly manner</p> <p>Responsibly using natural resources, putting effective environment management systems and long-term goals in place to reduce carbon emissions and water and electricity usage</p>

OUTCOMES FOR OUR STAKEHOLDERS

The Board and executive management → evaluated risks → assessed the impact on our material matters → and evaluated the impact on our strategic priorities.

VISION 2020 VISION – continued

OUR INTEGRATED REPORTING MODEL

AEEI's strategy is to create sustainable value for all shareholders and stakeholders and to ensure that the Company remains attractive to investors by optimising shareholder returns. AEEI's sustainable value creation goes beyond short-term profitability and takes into account the broader economic, social and environmental factors.

Our approach to addressing these matters is to prioritise those most important to achieving sustainable businesses in the medium to long-term.

We have identified strategic enablers in order for us to execute our business model and achieve sustainable value creation. *(King IV™ - Principle 4)*

SOUND CORPORATE GOVERNANCE

Stakeholders can only derive full value from a business that is founded on integrity, honesty, accountability and respect. With the significant corporate governance developments during the year and taking into account emerging global trends, AEEI's improved focus makes it easier to manage our business transparently and with good governance.

The Board strives to ensure that AEEI is governed effectively, with integrity and in accordance with sound corporate governance practices. Our diverse Board enables an environment in which varied views can be exchanged as a result of the mix of skills, experience and backgrounds of all of the directors interacting as a unitary working group.

AEEI can only be a sustainable business if we continue to deliver on our promise to promote good corporate governance, which is an integral part of our business model which is built on delivering good governance outcomes in terms of an ethical culture, effective control, good performance and legitimacy. Our sound governance platform is embedded in our DNA and corporate culture. *(King IV™ - Principle 6)*

EMPLOYEE DEVELOPMENT

The Group continued to instil a culture of excellence and opportunity for all employees and to make them proud ambassadors for AEEI. *(King IV™ - Principle 14)*

Our employees are critical to our success and sustainability. Growing talented employees into new roles remain a core objective. Learnership programmes give impetus to employee development within AEEI.

Together with financial capital, our employees are our single most important resource. It is important for AEEI to attract and retain the right calibre of people, to keep them motivated in a safe, supportive working environment and to remunerate them accordingly. In doing so, AEEI continued with training and development during the year and ensured that employee development plans are in place for the retention of employees.

SOCIETY

In order to remain sustainable as a business, we continually contribute towards social and economic development and developing partnerships that enhance our long-term viability in a stable and growing economy.

In order to create an enabling environment and develop and enhance markets for our products, we were proactive and responsive to our stakeholders' interests and ensured that we implemented best practices when it came to responsible investing. Our aim is to invest in businesses that have a sustainable approach to doing business. *(King IV™ - Principle 3)*

ENVIRONMENT

AEEI's carbon emissions are low and we have a very low direct impact on the environment, but we are affected by the environment in which we operate and how climate change affects our business. We commit our businesses to a journey of responsible environmental stewardship. We acknowledge that a stable economy and a sustainable business require a sustainable environment.

AEEI and our various business units are not considered to make a particularly heavy demand on the natural environment. However, businesses in the Group are committed to being industry leaders and adding value to their services by implementing sustainable business practices that minimise the impact that their operations have on the environment. Environmental commitments are an integral part of their day-to-day activities. Our fishing and brands division works closely with the relevant authorities to safeguard various fish species and pays careful attention to the environmental impact of their operations. *(King IV™ - Principle 3)*

OUR FUTURE OUTLOOK AND PRIORITIES FOR 2019

- Execute our strategic agenda in line with our Vision 2020 Vision
- Increase revenue and operating profit
- Deliver sustainable returns to shareholders
- Drive organic growth
- Focus on pursuing selective acquisitions
- Maintain a strong stakeholder focus
- Further expand into new markets outside South Africa and the African continent and grow our business through greater collaboration with our associates and strategic partners
- Drive greater strategic alignment between our businesses for greater operational coordination
- Leverage the Group's combined power to further achieve efficiencies and growth
- Increase efforts to share skills and experience between our businesses
- Continue to promote responsible business practices and governance throughout the Group
- Continue building a culture of excellence, which our employees are proud to belong to
- Further build brand awareness
- Practice responsible environmental management by monitoring, managing and reducing our direct and indirect impacts on the environment
- Narrow the gap between the rich and poor through our business initiatives, social development programmes and innovative leadership
- Create employment opportunities
- Continue to explore innovative business practices
- Work towards listing the other divisions in the Group
- Explore additional agencies and joint venture partnerships
- Expand product portfolios

OUR KEY STAKEHOLDER ENGAGEMENT AND RELATIONS

Sustainable value creation depends on continuous and successful engagement with stakeholders.

AEEI appreciates the role of its stakeholders and remains committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. The Group recognises that its businesses are one of the stakeholders in the socio-economic and environmental system. It is essential for the Group to compete successfully in an increasingly complex and ever-changing business environment and to systematically bring about the change needed for sustainable development. We have built and continue to maintain trust and respect with our various stakeholders, thus ensuring a positive impact on our reputation.

AEEI places great value on our high standards of ethics, communication and transparency of information in terms of the Promotion of Access to Information Act, 2000 (No. 2 of 2000) (Promotion of Access to Information Act), Protection of Personal Information Act, 2013 (No. 4 of 2013), and other regulations and directives relating to the dissemination of information.

We have identified stakeholder groups with whom we engage in a structured manner. Refer to key stakeholders on pages 90 to 97 for full details.

We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders. *(King IV™ – Principle 16)*

OUR VALUE ADD

A measure of the value created by the Group is the amount of value added by its diverse activities to the cost of raw materials, products and services purchased. Refer to our value-added statement on page 98 for full details.

VISION 2020 VISION – continued

MATERIALITY ASPECTS AND OUR RESPONSE TO STAKEHOLDERS’ INTERESTS

OUR MATERIAL MATTERS

AEEI’s material matters are those challenges and opportunities that could substantively affect the Group’s ability to create sustainable value over the short, medium and long-term for our stakeholders.

We identified our material matters in terms of relevance from the risk assessment process. This process includes uncertain events with a potential negative effect on the Group, i.e. opportunities not materialising. It also takes into account the legitimate and reasonable needs, interests and expectations of all material stakeholders in the execution of the Board’s governance role and responsibilities and in the best interests of the Group.

AEEI focused its reporting on sustainable development and those directly affecting the Group’s ability to create value, as well as the Group’s impacts and responses to the expectations of its stakeholders.

DEFINING OUR MATERIAL THEMES

<p>INTERNAL FACTORS</p> <ul style="list-style-type: none"> • Strategic focus areas and KPIs • Group policies, values, Code of Conduct and Code of Ethics • Board discussions and engagement with senior executives • Issues raised through stakeholder engagements • Risk management process 	<p>EXTERNAL FACTORS</p> <ul style="list-style-type: none"> • Regulatory requirements • Economic, environmental, global and socio-political developments • Reporting frameworks • GRI reporting • Responsible investments
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MANAGING OUR MATERIAL MATTERS

PROCESS	<ul style="list-style-type: none"> • The process of managing our material matters
IDENTIFICATION	<ul style="list-style-type: none"> • Through a formal process by each Board committee, including executives in the Group, material matters were reviewed and identified in terms of relevance, including information from meetings, engagements with key stakeholders, industry developments, regulations and economic research
PRIORITISATION	<ul style="list-style-type: none"> • We prioritise our material matters based on their potential impact
VALIDATION	<ul style="list-style-type: none"> • Management evaluates the potential impact as well as AEEI’s risk tolerance and implements strategies to mitigate against negative outcomes
REPORTING	<ul style="list-style-type: none"> • Management provides updates at each Board and committee meetings; in formal communications with employees; through interactions with regulatory bodies; and in shareholder reports
MONITORING	<ul style="list-style-type: none"> • Executive review and audit and risk committee oversight. Management continuously monitors and evaluates against performance and in consultation with stakeholders

These material matters were approved by the AEEI Board and take into account the issues raised, their relevance, our strategic component, the stakeholders, our governance structure and where further information can be found in the integrated report.

The following material matters were identified:



MATERIAL MATTER: FINANCIAL

<p>MATTERS</p> <ul style="list-style-type: none"> • Responsible use of capital generated to ensure a healthy financial position • Asset efficiency • Listed our technology division • Growth of businesses through associate and strategic investments • Shareholder returns 	<p>RELEVANCE</p> <ul style="list-style-type: none"> • Execution of our Vision 2020 Vision requires the successful integration of our acquisitions and strategic investments • AEEI requires long-term shareholders that understand our businesses and support our strategy 	<p>STRATEGY COMPONENT</p> <ul style="list-style-type: none"> • Double revenue by 2020 • Maximise growth and income sustainably • Increase operating profit, cash flow and assets • Create medium to long-term shareholder value • Cost containment
<p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Shareholders • Providers of capital • Strategic partners 	<p>GOVERNANCE STRUCTURE</p> <ul style="list-style-type: none"> • Board • Executive committee • Audit and risk committee • Investment committee 	<p>REPORT SECTION</p> <ul style="list-style-type: none"> • Chairman's report • CEO's report • CFO's report • Strategy • Vision 2020 Vision

COMBINED ASSURANCE:
Operational reviews, risk management, audit and risk committee and internal and external assurance of financial information

VISION 2020 VISION – continued



MATERIAL MATTER: HUMAN CAPITAL

MATTERS

- Employee recruitment and retention of key skills
- Remuneration and employee recognition
- Employee job satisfaction and diversity
- Training and development of employees
- Employee health and safety
- Maintain zero fatalities
- Diversity and cultural transformation
- Labour productivity and efficiency
- Labour costs
- Management retention and succession

RELEVANCE

- Human capital is a key input in the Group’s cost efficiency and competitiveness
- Diverse human capital
- Succession plans for senior executives and management
- Retention of key skills

STRATEGY COMPONENT

- Create employment and opportunities for employee growth
- Develop the human capital strategy, key relationships and monitor progress against KPIs and targets
- Create a Company that leads in both profits and sustainable business practices

STAKEHOLDERS

- Shareholders
- Customers (existing and potential)
- Suppliers
- Government
- Employees and trade unions
- Regulatory bodies
- Industry bodies
- Consultants
- Service providers

GOVERNANCE STRUCTURE

- Board
- Remuneration committee
- Executive committee
- Social, ethics and transformation committee

REPORT SECTION

- Remuneration
- Human capital
- Social, ethics and transformation

COMBINED ASSURANCE:

Regular management review, policies and procedures, remuneration committee and social, ethics and transformation committee functions



MATERIAL MATTER: BUSINESS OPERATIONS

MATTERS

- Capital investment in our businesses
- Stimulate economic growth by investing in small business development
- Risk and capital requirements
- Quality products and services
- Provide and maintain high-quality infrastructures

RELEVANCE

- The Group’s strategy is to minimise risk through diversification, best practice manufacturing processes and managing customer relationships
- Exchange rate volatility may have an impact on business performance
- The uncontrollable costs of diesel and electricity
- Labour strikes and salary demands
- Interruptions to operations due to natural disasters
- Cybersecurity

STRATEGY COMPONENT

- Develop strategy
- Monitor and execute strategies
- Balance in the business
- Focus on costs
- Stimulate growth with SMMEs
- Grow and secure product range and market share
- Launch new products and services

STAKEHOLDERS

- Shareholders
- Customers
- Government
- Employees
- Trade unions

GOVERNANCE STRUCTURE

- Board
- Executive committee
- Investment committee
- Audit and risk committee

REPORT SECTION

- CEO’s report
- Vision 2020 Vision
- CFO’s report
- Responsible investments

COMBINED ASSURANCE:

Operational reviews, investment committee and audit and risk committee functions

VISION 2020 VISION – continued



MATERIAL MATTER: MACROECONOMIC

MATTERS

- Shareholder satisfaction
- Return on investment
- Socio-economic stability in key markets
- Alternative technologies
- Competitors

RELEVANCE

- The Group’s strategy is to minimise risk through its diverse portfolio
- Strategic investments
- Changes in the economic landscape
- Not achieving investment targets
- Failure to innovate in areas critical to our clients

STRATEGY COMPONENT

- Diverse portfolio of investments
- Strategic investments
- Organic growth of portfolio
- Growth by acquisition
- Listed the fishing and brands division
- Listed the IT division
- List the biotechnology division
- Increase business into other sectors
- Further expansion into Africa

STAKEHOLDERS

- All stakeholders

GOVERNANCE STRUCTURE

- Board
- Executive committee
- Investment committee
- Audit and risk committee

REPORT SECTION

- CEO’s report
- Vision 2020 Vision
- Responsible investment report

COMBINED ASSURANCE:

Operational reviews, investment committee and audit and risk committee functions



MATERIAL MATTER: NATURAL CAPITAL – THE ENVIRONMENT

MATTERS

- Energy consumption
- Water usage
- Carbon footprint
- Environmental impact
- Environmentally friendly products

RELEVANCE

- Our aim is to ensure that we actively manage our impact on the environment through an effective environmental management system for waste, water and electricity

STRATEGY COMPONENT

- Capital has been allocated to address the Group’s long-term goals
- Create a Company that leads in both profits and sustainable business practices
- Reduce the negative impact on the environment
- Green energy alternatives
- Produce environmentally friendly products

STAKEHOLDERS

- Shareholders
- Customers (existing and potential)
- Suppliers
- Government
- Employees and trade unions
- Regulatory bodies
- Industry bodies
- Consultants
- Service providers

GOVERNANCE STRUCTURE

- Board
- Executive committee

REPORT SECTION

- CEO’s report
- Environmental sustainability (responsible investments report)
- Social, ethics and transformation report

COMBINED ASSURANCE:

Management review, audit and risk committee function, internal audit, policies and procedures

VISION 2020 VISION – continued



MATERIAL MATTER: SOCIAL AND RELATIONSHIP CAPITAL

<p>MATTERS</p> <ul style="list-style-type: none"> • Compliance with laws and regulations • Ethical and transparent leadership • Governance • Social community and economic development • Transformation • B-BBEE • Collaborative stakeholder engagement • Corporate social investment • Support independent SMMEs 	<p>RELEVANCE</p> <ul style="list-style-type: none"> • AEEI's business depends on close relationships with key stakeholders • Government is an important industry stakeholder for most of our businesses • Incentive programmes 	<p>STRATEGY COMPONENT</p> <ul style="list-style-type: none"> • Compliance with laws and regulations governing our diverse business portfolio, as some business units depend on this • Adhering to ethical standards and avoiding corruption • Adhering to good corporate governance in the Group • Maintaining an acceptable B-BBEE accreditation • Meeting transformation targets • Creating value through social investment • Promoting social and economic development by assisting SMMEs • Effective risk management and compliance
<p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • All stakeholders 	<p>GOVERNANCE STRUCTURE</p> <ul style="list-style-type: none"> • Board • Executive management • Social, ethics and transformation committee 	<p>REPORT SECTION</p> <ul style="list-style-type: none"> • CEO's report • Corporate governance report • Risk management report • Social, ethics and transformation committee report • Sustainability report

COMBINED ASSURANCE:
 Management review, policies and procedures, social, ethics and transformation committee function

(King IV™ – Principle 4)



For more information refer to the sustainability report on page 105.

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INDEPENDENT NON-EXECUTIVE CHAIRMAN'S REPORT

“I have three precious things which I hold fast and prize. The first is gentleness; the second is frugality; the third is humility, which keeps me from putting myself before others. Be gentle and you can be bold; be frugal and you can be liberal; avoid putting yourself before others and you can become a leader among men.” – Lao Tzu



DEAR SHAREHOLDER

African equity empowerment investments limited is well positioned for further growth: we are now one of the largest B-BBEE-owned and managed powerhouse in the country.

It has been another milestone year in the history of AEEI. AEEI has flourished over this past financial year by reaching its goals for the year and receiving recognition and acknowledgement for its leadership style and management control, financial performance, corporate governance and reporting structures.

I must admit that our operating environment has been especially tough this year. However, I will err on the side of optimism by hoping that the impact of the economic downturn, unpredictable weather patterns as well as the socio and political volatility in South Africa will reach an even keel over the next year or two.

I believe that one's team takes its lead from the top and through being optimistic, one is able to lead through stormy situations with the utmost confidence that there will be an upturn in the very near future.

OUR PERFORMANCE

AEEI's resilience in uncertain times is testimony to its value system and work ethic that has stood the test of time for 19 years. Reflecting on the past year, I would like to highlight the following:

- AEEI's acknowledgement by its peers for its B-BBEE credentials, good corporate governance and reporting, as well as for its financial performance
- The acknowledgment of the Group's chief executive officer, Khalid Abdulla, for his leadership skills and management style
- The successful listing of Premier Fishing and Brands Limited on the main board of the JSE
- The acquisition of equity in companies that will facilitate sustainability and growth for AEEI in the short to long-term
- The successful listing of the technology division on the main board of the JSE

VISION 2020 VISION

A key feature of our 2018 financial year is the significant progress we have made in executing our Vision 2020 Vision strategy to become the leading diversified company that creates superior stakeholder value and empowers people through profits and performance in South Africa.

Our 2018 performance is testament to the broader Group rallying together to drive continued optimisation and efficiency of our operations while growing a sustainable cash flow and creating value for our shareholders.

Our Vision 2020 Vision strategy is underpinned by our diverse portfolio and is reflected in our results. This growth strategy has laid a strong foundation for the next phase of the AEEI Group's evolution.

We now have a more diversified asset and product base to reduce risk exposure and to secure access to distribution channels nationally and internationally; this aimed at further enabling value creation for our shareholders.

CORPORATE GOVERNANCE AT AEEI

The Board serves as the focal point and custodian of good corporate governance and provides continued oversight while taking into account the Group's strategic direction and purpose.

The Board is committed to the highest standards of ethics, governance and business integrity and has adopted an integrated approach to managing the Group to ensure that the governance structure actively identifies, communicates on and responds to material matters that impact the Group's capacity to create value. The Board continuously reviews the Group's governance structures and processes to incorporate and accommodate new corporate developments, to facilitate effective leadership, to provide sustainable corporate citizenship in support of the Group's strategy and to reflect national and international corporate governance standards, developments and best practices.

Sound corporate governance and ethics form the foundation of AEEI's business and are pivotal in delivering long-term value to our stakeholders.

During the year under review, Mr Salim Young, our lead independent non-executive deputy chairman, did not make himself available for re-election at the annual general meeting. We would like to thank Mr Young for his valuable contribution to the Board during his tenure.

INDEPENDENT NON-EXECUTIVE CHAIRMAN'S REPORT – continued

The Board reviewed its current membership composition taking into account gender and race diversity and appointed Advocate Dr Ngoako Ramatlhodi as the lead independent non-executive director and Mr Abdul Malick Salie as an executive director in the capacity of chief investment. The Board has the appropriate balance of race and gender diversity, skills, experience and independence to provide strategic direction and sound corporate governance. Read more about this on page 71.

The Board is satisfied that effective controls have been implemented and complied with throughout the Group and that the Company fully complies with the spirit and form of the continuing obligations of the JSE Listings Requirements, King IV™ and the Companies Act.

The Group's policies, practices and charters are updated regularly to remain compliant with the relevant laws, rules, regulations, codes and standards including but not limited to the JSE Listings Requirements and the Companies Act. We continue to embrace the inclusion of King IV™ in all areas applicable. More about this can be read on page 79.

TRANSFORMATION

Race and gender diversity and inclusion at all levels of the business are essential to the sustainability of AEEI. Transformation is in our DNA and we will continue to provide meaningful transformation through our operations. The Group currently provides employment for 889 employees of which 80% are black South Africans (this excludes the new acquisitions).

I am delighted to mention that records indicate that AEEI has played a part in carving the way for our future nation through its skills development and corporate social responsibility programmes which are implemented throughout the country, but especially in the communities in which we operate. Refer to page 105 for a detailed report on our corporate social responsibility projects.

During the year, we renewed our focus on critical skills and leadership capability development as key enablers to build a resilient organisation for the future. We continued to invest in sponsored study and learning programmes which include leadership, career and succession development plans.

To secure a pipeline for the future of experienced talent, we invested significantly in skills development and training, ranging from basic literacy and health and safety training to further training for our professionals to remain at the top of their games.

The empowerment of women remains a key focus area and our skills development programmes are accordingly designed to secure the critical and scarce skills required to operate our divisions and deliver long-term growth ambitions.

I am proud to announce that we have increased the number of women employed at our Group – not only on the ground but also in executive positions. In addition to this and related to transformation, we recognise that it is imperative to continue with the adequate upskilling of our employees and communities through the skills development and training programme. Read more about this on page 20 of the online sustainability report.

Our culture which is underpinned by our values, is essential to support us in achieving our goals and transformation aspirations. To this end, we will continue to further embed the behaviours that support our transformation objectives in all our divisions.

OUR EMPLOYEES

Our employees are fundamental to the success of the Group and I have to acknowledge that it is because of the resilience and diligence of our values-driven, high-performing employees, that we are able to create value for all our stakeholders.

We adopted a risk-based approach to minimise labour volatility challenges. This required a review of the broader employee relations landscape and the adoption of a more integrated approach across all stakeholder groups, aimed at achieving greater employee engagement and ensuring business continuity.

SUSTAINABILITY AT AEEI

At AEEI, we are cognisant of our material sustainability focus areas and its impact on our stakeholders. Refer to page 105 for in-depth details of these focus areas.

Stakeholder engagement at AEEI is supported by transparent and effective communication, mutually beneficial outcomes and inclusiveness and integrity. We participate in initiatives to inform and ensure a best practice approach in the areas of sustainability and social impact. We actively engage with our stakeholders to ensure the achievement of the best outcomes.

SINCERE APPRECIATION

It is with sincere appreciation that I thank all our shareholders for their unwavering support and confidence in me as the independent non-executive chairman of the Board. Not only do they have the utmost confidence in me, but also in the leadership teams who have remained steadfast in their implementation of our strategy of growth and value creation.

I would like to recognise the support and contribution of my fellow Board members, who have willingly and without prejudice contributed their collective skills, expertise and experiences during the year.

Hearty congratulations to Khalid Abdulla on receiving several accolades in recognition of his leadership, skills, insight and commitment in realising the potential of our Group. A special word of thanks goes to the executive management teams and all our employees in the Group, without whom we could not have achieved such positive growth.

I look forward to chairing the Board through the next exciting growth phase of AEEI.

Dankie baie.



Reverend Dr Vukile Charles Mehana
Independent non-executive chairman

CHIEF EXECUTIVE OFFICER'S REPORT



**VISION 2020
VISION DURING
A TURBULENT
YEAR**

“When the world is in the midst of change, when adversity and opportunity are almost indistinguishable, this is the time for visionary leadership and a time when leaders need to look beyond the survival needs of those they’re serving.”

– Chip Conley

SEEING CLEARLY WITH OUR 2020 VISION

Over the past year, the international communities and markets have had significant challenges from an economic and geopolitical perspective. I don't believe that any of the nations globally could avoid all the challenges facing the globe from a macro-economic point of view.

Over the next few decades, I believe that international trade, globalisation, innovation and, now more specifically, both disruptive technology and the fourth industrial revolution will affect everyone's life, become more transformed and change the world into a more prosperous one. The combination of these, together with political change and stability, will create unprecedented opportunities that we can only imagine, and we need to prepare to take advantage of these opportunities.

AEEI is a business built on excellence and everything we do is by design rather than by chance. Our values and our Vision 2020 Vision strategy determine our actions and our goals. Our guiding principle of custodianship requires that we integrate social, governance and environmental priorities alongside the financial performance of the Group.

Because of the new challenges and growth expectations over the next decade, 'Fearless but responsible leadership' will be required. Fearless but responsible leadership is for leaders who want to lead economic and political transformation from the inside out. It works with emotional transparency balanced by courageous action; anchoring personal values and governance to organisational goals. It also means leading an organisation with authenticity and welcoming challenges from other members of management and staff, as well as their support in an open and conscientious way.

In the words of Theodore Roosevelt, we must be "the man who ... at the worst, if he fails, at least fails while daring greatly" – which is why I've adopted the characteristics of a 'fearless but responsible leader'.

We believe that fearless leadership involves implementing strategies, listening and developing the traits that can make one truly exceptional. AEEI exists because of our employees who come to work each day to add value to our business and in turn meet both our stakeholders' needs and the demands of the market.

I am grateful for our employees' ongoing commitment to embracing change, ensuring that the Group meets its goals as set out in our Vision 2020 Vision strategy,

while living a strongly ethical culture. This is in many ways, thanks to the exceptional teams that we work with across the Group – as we are a Company founded on putting our employees first.

This intrinsic principle is yielding sustainable results in the marketplace, in the business, for our shareholders, stakeholders and in our communities, towards building our nation. Therefore, it seems fitting for me to begin my report by acknowledging each one of the AEEI employees, and thanking them for their concerted efforts to ensure that AEEI continues to grow in strength, positively influencing our stakeholders and shareholders, both locally and internationally.

During this financial year, we have exceeded our set expectations for the year to date in terms of our Vision 2020 Vision strategy and the goals we had set. We are enthusiastic about the next exciting phase in our growth cycle; our team has already started thinking strategically toward formalising our future strategy towards 2025 and 2030.

Notwithstanding the challenging market conditions, I am delighted to report that AEEI has more than risen to the challenges and delivered outstanding results across the board due to admirable returns and growth from its operational and strategic investments. This attests to the underlying resilience of our business and our determination to continue to provide shareholders with world-class investments and an increase in shareholder value.

AEEI is identified as a Group that is innovative in its thinking, pushing beyond established norms to advance progress on all levels. In addition to this, our communication and ongoing engagement with our stakeholders and other business leaders are geared to promoting economic inclusion and optimal growth for all parties.

Our contribution to the South African 2030 National Development Plan is significant because it has been plotted as part of our 'business as usual' business model and projected approach which we believe will begin to filter through our strategy to all our business units and assist with building communities and the nation.

In the context of our business, we cannot afford to become complacent and there is no space for mediocrity. We need to keep our market competitive advantages and build on what sets us apart to consistently achieving our set goals:

- B-BBEE Level 1 with 73.72% black ownership and 38.29% black female ownership.

CHIEF EXECUTIVE OFFICER'S REPORT – continued

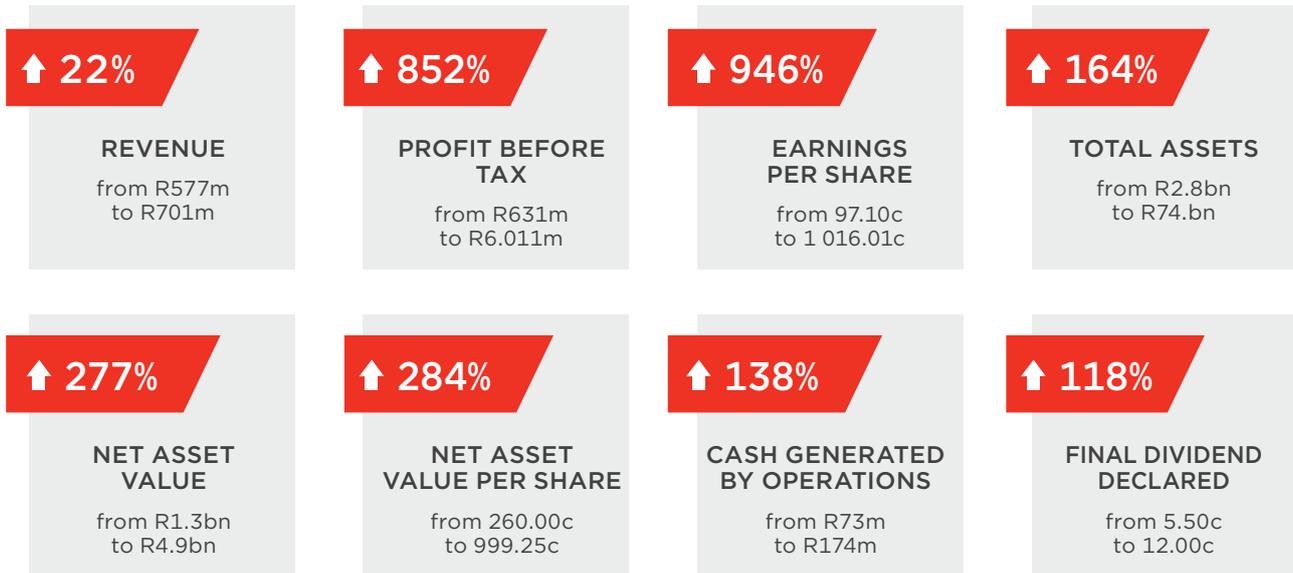
- We are a B-BBEE-partner of choice, with solid empowerment ownership credentials.
- We carry a diversified business portfolio, with a hands-on approach in our business development strategy to deliver consistent growth and results for our stakeholders.
- AEEI has the ability to make informed decisions within acceptable time frames; hence, we are able to move forward swiftly.
- We have an excellent track record and business reputation for a high standard of corporate governance and ethical conduct across the Group, adhering to the latest principles of King IV™.

- A strong management team is in place, with experienced executives leading all business units.
- There is a committed and stable employee complement across our Group companies who enjoy what they do, which is reflected in employee retention and Company outcomes.
- We remain focused on delivering our Vision 2020 Vision strategy with clear short, medium and long-term plans that yield the desired results.

Like any business, we face several risks and uncertainties. Right from the onset of decision-making, we manage what we can control, and mitigate those factors that we are unable to control.

BY THE NUMBERS

These financial indicators are all very significant achievements, setting new records for the Group and raising the bar for future growth.



SUSTAINABILITY

“The sustainability revolution has started, and the way to make your fortune in the future will be in ways that are sustainable for our world.” – Jason J Drew

For AEEI, this has mostly been a year of consolidation after the successful listing of our subsidiary AYO Technology Solutions Limited (AYO) which has since become an associate, has unlocked a fair amount of value and has positioned the Group well to expand its footprint, strengthen its balance sheet and improve the corporate pipeline to fund further growth plans to improve shareholder value in a more sustainable way.

Refer to the CFO's report on pages 64 to 69 for further information.

AEEI is able to show a strong balance sheet due to its growth track record over the past few years.

REVIEW OF OUR INVESTMENTS

FISHING AND BRANDS DIVISION

“Never give up, because that is just the place and time that the tide will turn.” – Harriet Beecher Stowie

While Premier Fishing and Brands Limited (Premier) only listed on the JSE in March 2017, it has met the challenges in the face of these industry vagaries and realised its results in line with its prelisting profit promises, but the real X-factor lies in its ability to hook into fishing opportunities as the tides in the South African fishing industry changes.

High fuel and electricity costs, regulatory challenges, inclement weather, fickle fishing patterns and the declining total allowable catches can create chaos with catch rates. Additionally, there is also the effect of inevitable currency swings on the revenue line.

The fishing and brands division performed as expected with total revenue increasing by more than 20% from R411m to R491m for the year, which includes the acquisition of Talhado Fishing Enterprises (Pty) Ltd.

The abalone division continued to focus on increasing its spat production and stock holding in preparation for the farm's expansion. Additional animal rearing capacity has been added to date while construction for the expansion of the abalone farm is on track and in line with the expansion plans. This division has produced results in line with management's expectations. The focus has been on their expansion plans, with increased performance expected to be achieved during the 2019/2020 financial year when the expansion of the abalone farm will be completed, and the pipeline fully secured. The well-known brand is in great demand from customers abroad, and since Premier's philosophy is based on pleasing its clients, the request for larger sized abalone can now be accommodated with the new hatchery.

Another key focus area for Premier is its deep dive into the issue of sustainable fishing, with an awareness of the over-exploitation and depletion of fish stocks and the heightened increase in the poaching of rare and fish species.

In addition to creating awareness of poachers and increasing the perimeter of security in and around the abalone farm, Premier continues to benefit from

recirculating aquaculture systems at its farm – by recycling water and using water for agricultural purposes, these systems can lower seafood's carbon footprint by up to 50 percent. For us to make an impact on biologically sustainable fishing we are encouraging local and international collaboration, which is a tall ask, meaning catch levels are not adhered to.

TECHNOLOGY DIVISION

“The best way to create value in the 21st century is to connect creativity with technology.”
– Steve Jobs

I am also happy to report that the Group successfully listed its technology division – now trading as AYO Technology Solutions Ltd (AYO) – on the main board of the JSE on 21 December 2017.

Since its listing, the deemed disposal of this subsidiary meant that the AEEI Group relinquished control of AYO, resulting in the division becoming an associate with increased corporate governance and additional policies in place. AEEI now owns 49.36% of AYO, without Board control.

AYO delivered satisfactory organic revenue and profit growth as a result of the strong contributions from all its underlying operations and investment activities for the year under our control. AYO's revenue increased by 33% from R478m to R638m compared to the prior year, with all divisions benefiting from the Group's synergies, empowerment credentials and excellent management expertise, as well as gaining significant clients in various sectors.

EVENTS AND TOURISM

AEEI increased its investment in espAfrika (Pty) Ltd (espAfrika) by purchasing an additional 24.5% shares by exercising its pre-emptive rights. This year, espAfrika managed to deliver yet another successful and profitable 19th Cape Town International Jazz Festival and funded its operations out of existing profits. espAfrika contributed positively to its stakeholders and, with its projected growth plan, will continue to strengthen its sustainability and returns to all stakeholders. The company's contribution to the Group's revenue amounted to R57m for the financial year.

CHIEF EXECUTIVE OFFICER'S REPORT – continued

The radio station, Magic 828 (Pty) Ltd (Magic828), now in existence for 36 months, contributed to the Group's gross revenue of R9m for the period under review and increased its listenership in the Western Cape to approximately 187 000 listeners since its launch three years ago.

Tripes Travel (Pty) Ltd (Tripes) engaged in its turnaround strategy since 2016 and this is now bearing fruit. The strategy led to revenue increasing by 21% from R53m to R64m for the year under review. Tripes now has two distinct operating divisions: Travel Management Services and Inbound Tours and Events. They provide a service in both the corporate and leisure markets.

HEALTH AND BEAUTY

This division also shows promise for the medium to long term and has undergone a shift, moving away from being referred to as the health and biotherapeutics division to incorporating 'beauty'. This is to take account of a more consumer-focused approach in the booming wellness sector.

The acquisition of Orleans Cosmetics (Pty) Ltd (Orleans Cosmetics) in the prior year combined with the existing business has led to revenue increasing by 256% from R9.7m to R34.5m. Operating profit excluding the gain on bargain purchase increased from a loss of R0.65m to a profit of R1.9m. Orleans Cosmetics is the exclusive South African and Southern African distributors of imported, high-end cosmetics brands such as Gatineau, NUXE, RVB SKINLAB/diego dalla palma professional and Sothys.

AfriNat (Pty) Ltd, previously known as Wynberg Pharmaceuticals (Pty) Ltd rebranded during the year. As a result of marketing the brand and improved volume movements, revenue increased by 138% from R5.2m to R12.4m and operating profit increased from a loss of R1.1m to a profit of R2.7m.

BIOTHERAPEUTICS

Genius Biotherapeutics (Genius), made progress with its research and development activities as it completed the construction of a clean room facility.

The dendritic cell vaccine project obtained final approval from the Medicines Control Council to commence with phase 1 clinical trials on breast cancer, provided that the human clinical trials are performed in a validated clean room facility. The feasibility of the granulocyte-colony stimulating factor technology is being investigated with an international partner.

STRATEGIC INVESTMENTS

The Group's strategic investments consist of minority equity stakes in Pioneer Foods Group Ltd (Pioneer), Sygnia Ltd (Sygnia), Saab Grintek Defence (Pty) Ltd (SGD) and BT Communication Services South Africa (Pty) Ltd, which is now managed and reported under the technology division and accounted for as an associate since the prior year.

These investments have shown improvements in its investment value since the date of the acquisitions. Consistent growth in earnings and regular dividends are received from all the strategic investments.

“Every economic threat also represents an inspiring challenge to those who are bold and creative enough to rise to it. Investment in the technologies and products and the new energy infrastructure that will shape the low carbon future offers a huge opportunity to businesses large and small around the world.”

– Nancy Skinner

Although South Africa, as well as global markets, have faced an economic downturn, AEEI has fortunately remained positive and focused on delivering sustainable and positive shareholder value with single-minded determination. This has been achieved through a combination of sound strategic decisions and prudent control of working capital and capital allocation, without compromising long-term benefits, while also investing in safety and risk management, all of which are non-negotiable.

We are satisfied that our Vision 2020 Vision strategy, underpinned by our resilient business model, high performance culture and steadfast focus on the fundamentals of our businesses and business model, will continue to serve us well.

While the latest Apps, mobile devices, digital gadgets, iCloud and everything in-between are simplifying things, so too are digital devices and technologically advanced machines enabling nefarious cyber activity. This has prompted us to install and upgrade to even more stringent security measures to safeguard our online assets, our intellectual property and confidential information.

Corporate governance, ethics and regulatory and policy developments remain an important challenge for all. The Group adopted all the latest governance essentials and continue to do so as further stringent measures are put into place to eliminate fraud and to ensure that business is conducted in an ethical manner at all times. Refer to our online Corporate Governance Report.

AEEI remains positively capitalised to pursue value-enhancing acquisitions – based on cash-generative quality assets, shifting towards continuously bolstering our standing as a credible stakeholder and partner of choice with ongoing improvements in all business operations. We will continue to maintain a long-term view and a partnership approach to our underlying investments.

Fearless leaders don't overthink and over-analyse or let fear conquer adequate decision-making. I must emphasise that a lack of decisiveness in all the 'noise' could create missed opportunities. It is for this very reason that I encourage my executive teams to gather enough information that is available, decide and move forward.

We will continue to pursue opportunities to leverage the business model by exploring synergistic and value-adding acquisitions. Other future developments for the Group will include further acquisitions and diversification. We will continue to expand our sphere of operations across Africa, and towards the rest of the globe, and embrace strategic partnerships to further diversify our portfolio of investments. All in all, the future is shaping up to be an extremely exciting period for AEEI.

During the financial year, we made inroads into several new international markets through operational entities in fishing and brands, technology, events and tourism, health and beauty and through our partners and associates. Our footprint has expanded to include Asia, Europe, Dubai, Saudi Arabia, Spain, the United Kingdom, the United States of America, Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Ethiopia, Lesotho, Swaziland, Mozambique, Madagascar, Malawi and Mauritius.

CONCLUSION

“Never doubt that a small group of committed people can change the world. Indeed, it is the only thing that ever has.”

– Margaret Mead

At the start of my report, I expressed my thanks to all those who have shared our vision and helped us deliver on it. I would like to end off my report by reminding everyone that investment into human capital is a prerequisite for laying the foundations of a great business and nation.

AEEI is successful because of its employees.

The country may have entered uncertain times, but if we continue to look to one another, support one another and share our successes and our failures and learn from both, as an AEEI community, we can achieve that which we all dream of – prosperity.

I would like to thank our Board, including my fellow executive directors, non-executive directors, executive teams, management and employees for all their contributions to the success of AEEI. I am confident that AEEI is well positioned to meet and exceed the expectations of our stakeholders and shareholders and continue to make good on its philosophy and promise.

WE ARE READY FOR 2019

Next year will be another challenging year; perhaps, challenges of a new kind will face us – but whatever comes our way, I am confident that AEEI and the team are prepared and ready.

Here's to another fabulous year of empowering people through profits!



Khalid Abdulla
Group chief executive officer

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

AEEI continues to deliver on its vision to create superior value through a healthy balance sheet and sterling financial results.



KEY FINANCIAL HIGHLIGHTS

STRONG EARNINGS GROWTH DRIVEN BY CHANGE IN CONTROL



SOLID BALANCE SHEET AFTER UNBUNDLING AND ACQUISITIONS



GREATER SHAREHOLDER RETURNS WITH DIVIDEND DECLARED OF 12 CENTS PER SHARE



OVERVIEW OF THE 2018 FINANCIAL YEAR

During the 2018 financial year, we continued with our Vision 2020 journey by unlocking shareholder value through the unbundling of the technology division in the AEEI Group and increasing our investment portfolio in the fishing and brands division.

In our third year of Vision 2020 Vision, we succeeded in meeting our strategic objectives against the macro-economic backdrop of low economic growth and socio-political uncertainty. We concluded the raising of equity capital to acquire more technology businesses and utilising the capital from the fishing and brands listing to expand their businesses. Capital allocation became crucial to ensure that it was spent wisely to produce excellent shareholder returns.

Our first strategic priority to leverage the investment portfolio - through driving growth through acquisitions - was met. With the conclusion of the acquisition of Talhado Fishing Enterprises (Pty) Ltd in the fishing and brands division on 30 November 2017 and our other core investment in technology being listed on the JSE on 21 December 2017, we achieved our objective to increase our capital structure and boost our investment portfolio.

The second strategic priority for the Group is to maintain gross margins from our underlying operations and retain the Group's margins within the targeted range of 30% to 35%. After the prior year was restated to exclude the technology division, the Group's gross margin remains in line with restated prior year at 41%. This margin exceeded the range due to operational efficiencies from the fishing and brands division and change in product and business mix in the health and beauty division.

Our third strategic priority is to improve social, governance and financial sustainability in our business in order to secure long-term growth and value creation for the Group. The investment in an early childhood development classroom for Where Rainbows Meet Training and Development will create a social impact and uplift the community in Vrygrond, Western Cape in the future.

Transformation targets were met in AEEI as we worked towards improving our previous B-BBEE status from the prior year and achieved a Level 1 status. Refer to page 20 of the online sustainability report for more details.

We believe that we have created superior value and delivered sterling financial results for our stakeholders in 2018 as the financial position strengthened with total assets accelerating from R2.8bn to R7.4bn and increasing shareholder equity.

GROUP FINANCIAL PERFORMANCE

SALIENT FEATURES

(Extract of statement of profit or loss)

	Audited 2018 R'000	Restated Audited 2017 R'000	Var %
Profit before taxation	6 010 650	631 338	852
Profit from continuing operations	4 947 861	487 598	911
Profit from discontinued operations	159 533	41 074	288
Profit for the year	5 107 394	528 672	866
Profit attributable to AEEI shareholders	4 992 064	477 805	946
Earnings per share	1 016.01	97.10	
Headline earnings	119 085	466 232	
Headline earnings per share	24.24	94.89	
Normalised headline earnings	123 297	51 008	
Normalised headline earnings per share	25.09	10.38	142

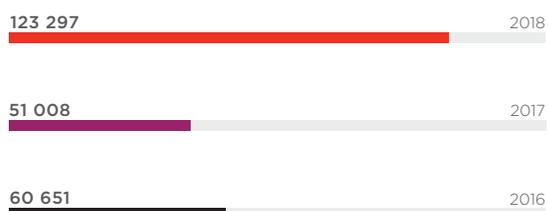
CHIEF FINANCIAL OFFICER'S REPORT – continued

The 2018 financial results were impacted by some significant once-off items and impairments as we maintained the sustainability of our underlying businesses. A significant event occurred in the current year, where at listing date of AYO Technology Solutions Ltd (AYO), our shareholding dropped to 49.36% from 80.01% as well as the change in control of the AYO Board. This resulted in AEEI no longer unilaterally directing the activities in the technology division. The deconsolidation in our Group's accounts from 24 August 2018 meant that the realisation of an extraordinary gain of R6 049m on the deemed disposal of AYO as a controlled subsidiary and its profits are now disclosed as a discontinued operation. This event led to the reclassification of the technology division and resulted in AYO being an equity accounted associate.

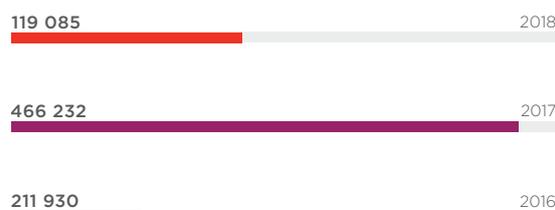
Profit from equity accounted investments includes a full year of our share of profits of R57m in BT Communication Services South Africa (Pty) Ltd (BT). Due to poor future cash flows and a muted outlook, we adopted a prudent approach to impair the potential value in the biopharmaceutical intangible assets in the biotechnology division. The statement of profit and loss includes a R140m impairment charge. A moderate fair value loss of R5.4m was accounted for in comparison to a prior year once-off non-recurring fair value gain of R535m.

After taking into consideration the above-mentioned once-off gains and impairments, the profit before tax accelerated to R6bn. The ordinary earnings attributable to AEEI shareholders escalated from R477m to almost R4 942m, which translates to 1016.01 cents per share. The normalised headline earnings, which is adjusted for fair value adjustments, impairments and once-off charges, is R123m against the prior year's R51m earnings. An increase of 142% in comparison to the prior year reflects the excellent growth in the operational performance of the subsidiaries.

NORMALISED HEADLINE EARNINGS R'000



HEADLINE EARNINGS R'000

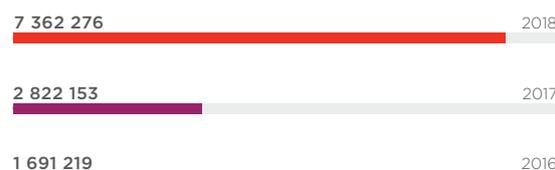


GROUP FINANCIAL POSITION

The most significant movement in the balance sheet was the deconsolidation of the assets and liabilities of the AYO Group of companies and the net revenue and expenses of the technology division being reclassified as profits from discontinued operations in the income statement as a result thereof. This investment is now accounted for as an investment of associate at fair value of R4.8bn. A deferred tax liability had to be raised which increased the non-current liabilities from R461m to R1 487m. The change in control in the subsidiary, the investment in property, plant and equipment in the fishing and brands division, as well as the inclusion of the newly acquired assets of Talhado are the major reasons for the 161% increase in the total assets from R2.822m to R7 362m.

AEEI's investment in BT as an associate increased through strong earnings growth with our share of the carrying value of the investment being accounted for at R820m. Financial assets consist of investments in public companies of R238m and private companies of R181m which is detailed below under Material Matters – Growth in Strategic Investments.

TOTAL ASSETS R'000



Cash and cash equivalents decreased substantially from R625m to R363m at year-end, which is largely attributable to the cash excluded from the technology division, the balance of capital unutilised from the listing of Premier

Fishing and Brands Ltd as well as reserved cash on hand from all subsidiaries in the Group.

The total liabilities, excluding the deferred tax liability of R1.1m, decreased by 27% from R573m to R419m, which demonstrates the low gearing of 8% for the Group as the acquisitions and growth expansion plans of the Group utilised equity funding and no debt funding. We are committed to reducing our debt exposure by repayment of our financial obligations and settled debt funding related to acquisitions during the year.

The net asset value of the Group grew by 284% over the year from R1 277m to R4 910m. This growth is underpinned by a greater fair value in the investment in associates, inclusion of additional value from the acquisition in the fishing and brands division, as well as the increased equity from the statement of comprehensive income.

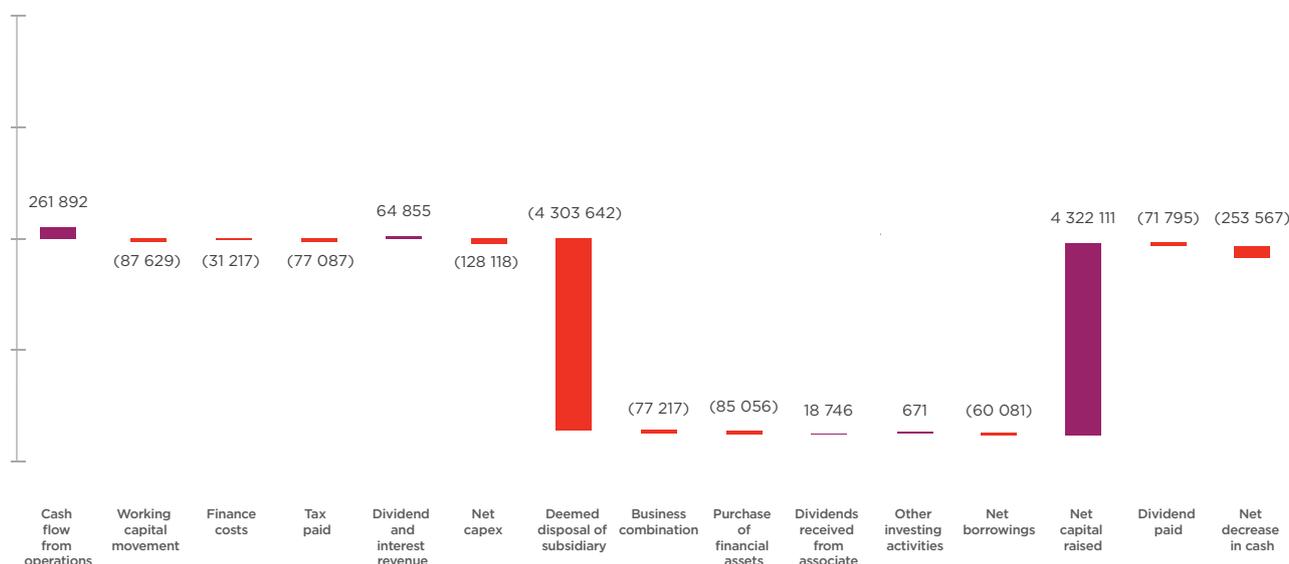
CASH FLOWS

Net cash generated from operating activities increased by 64% from R80m to R131m. Additional interest income affected the operating activities of subsidiary operations. Cash generated from these operations is R174m which includes AYO as a discontinued operation.

The disposal amount of R4 300m resulting from the reduced shareholding in AYO affected both investing and financing activities as a cash outflow and inflow respectively. The additions made to property, plant and equipment of R37m for the existing fishing operations, and R79m to expand the fishing operations in line with growth plans, play a significant part in our future growth and vision.

Shareholders were paid dividends amounting to R72m during the current year compared to R32m from the prior year, which reflects our commitment to increase our returns to our shareholders.

CASH FLOW WATERFALL R'000



CHIEF FINANCIAL OFFICER'S REPORT – continued

SHAREHOLDER RETURNS

AEEI returns value to its shareholders in the form of dividends and share price appreciation. The share price traded well with a closing price of 400 cents and we expect this to increase further as the Group meets its strategic objectives.

We continue to reward our shareholders in line with our earnings growth, and accordingly increased our total gross dividend per share to 15.30 cents per share, a 104% increase from the prior year's 7.50 cents per share. The Board declared a final gross dividend of 12 cents per share for the year ended 31 August 2018 from income reserves.

MATERIAL MATTERS THAT AFFECT OUR PERFORMANCE**RESPONSIBLE USE OF CAPITAL GENERATED**

The AEEI Group incurred R117m (2017: R27m) in capital expenditure, which included R45m for existing operations and R71m for expansion plans. Since the fishing division's listing in March 2017, the fishing and brands division acquired 50.3% in Talhado – the largest squid company in South Africa – and owns twelve squid vessels as well as property, plant and equipment which were consolidated into the Group's balance sheet.

The listing of AYO unlocked R4.8bn of value for AEEI shareholders. This alone has more than doubled the non-current assets to R6 705m. We move closer to the investment entity model after the change of control to one of significant influence. After two years of strategic focus, AEEI has met its objective to unbundle its two core assets with equity funding for future acquisitions and growth.

INVESTMENT IN BUSINESS OPERATIONS

Investments of R37m were made into the existing infrastructure to maintain vessels and production facilities to sustain our existing fishing operations. The expansion of the abalone farm is progressing well with an investment being made to increase the farm's capacity by 40 tons so far, as well as the building of a hatchery facility to grow more animals and hold more stock. The stock holding increased by 19 tons, from 126 tons to 145 tons, in preparation for the construction of the pipeline for the larger farm.

Further working capital was invested in Magic 828 (Pty) Ltd and Opispex (Pty) Ltd to increase the resources at the radio station and to enhance revenue to obtain tangible returns in the short to medium term.

espAfrika (Pty) Ltd's management expanded its footprint and now has three company-owned events, the latest being in Limpopo where they will manage a music festival in collaboration with the Limpopo Department of Arts and Culture, which will promote the social development of this rural area.

A further investment was made in the biotechnology division to continue with its progress by building an accredited 'clean room' facility in collaboration with the University of Cape Town. Phase 1 human trials will commence next year and we believe that this exciting dendritic cell vaccine project will advance the immunotherapy field in cancer treatment.

GROWTH THROUGH STRATEGIC INVESTMENTS

The Group's strategic investment in Saab Grintek Defence (Pty) Ltd, an unlisted private company, continues to grow in value, delivering strong financial results with consistent and sustainable dividends which is used to reduce and repay the preference share liabilities.

AEEI expects a recovery in its listed investment in Pioneer Foods Group Ltd in the medium to long-term as it continues to experience a year of share price volatility and the dividend returns increased marginally. With our additional shareholding in Sygnia Ltd, the dividend returns increased substantially during the current year. Our minority shareholding in an unlisted public company, African Legend Investments Ltd, is starting to gain traction as it delivers consistent growth in earnings and dividend returns over the past two years.

EXTERNAL FACTORS THAT IMPACT THE GROUP'S PERFORMANCE

The external environment with its financial market volatility, socio-political uncertainties and greater scrutiny of various industry leaders and government associations, which is out of our control, continues to have an impact on our ability to increase stakeholder value.

Volatile currencies reduced our revenue generation in the fishing and brands division marginally, as the greater sale volumes and better pricing outweigh the exchange loss incurred of R3.2m. The operational management team continually reviewed their margins after the rand to dollar conversion rate strengthened in the first ten months of the year but weakened thereafter, with an average rate of 12.94 (2017: 13.25) achieved in the current year. Some of the cost structures are dependent on foreign suppliers in the technology and health and beauty divisions, but these had marginal effects on the operating margin.

The adverse weather conditions continue to impact the number of seaworthy days and catch rates in the fishing and brands division. This led to changing the vessel planning and scheduling to increase fishing earlier in the year so that, by year-end, 100% of the division's lobster quota was caught. The pelagic division did not perform as well as in the prior year, which is an industry-wide norm. The diversification strategy to acquire a new company in the squid sector offset the lower financial performance in the pelagic division.

Political uncertainties related to the fishing rights allocation process may impact larger fishing companies as well as certain fishing communities; the outcome remains unknown until the process is completed. Operational management continues to manage this area within their control and continues to engage with outside quota holders to increase our catch allocation in the west coast lobster division.

LOOKING AHEAD

In this exciting time of change, where innovative and agile work practices are required to keep up with the digital transformation, we explored our available digital options and will continue to invest in a robust IT infrastructure system to consolidate our investments and have information easily available to drive effectiveness and efficiency.

As scrutiny into government associations, corporate South Africa and professional audit firms continue, we hold ourselves accountable to do the right things. We look ahead to return value to shareholders through acquisitions that make good business sense for AEEI, its subsidiaries and associates.

We remain committed to create superior value for our stakeholders and maintain gross margins within our targeted range by continually refining the cost structure and operating efficiencies, and improving our social, governance and financial impact on society and the economy.

APPRECIATION

I would like to thank all the financial teams in the companies, subsidiaries and associates across the AEEI Group for their contribution, dedication and commitment to meet the demanding timelines in order to deliver quality financial information to our stakeholders. I express my appreciation to our Board and executive management team for their unwavering support and guidance during the challenging times.

CONCLUSION

AEEI is well positioned to continue to meet its strategic objectives and will focus on improving its profitability and delivering superior value to its shareholders. Our balance sheet is healthy to affect future acquisitions and growth. A disciplined approach in our investment philosophy is followed to ensure good returns from our capital investments.



Chantelle Ah Sing
Group Chief financial officer

GOVERNANCE AND SUSTAINABILITY

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CORPORATE GOVERNANCE REPORT

At AEEI we believe that effective corporate governance is critical to delivering on our Vision 2020 Vision strategic objectives and creating long-term value for our shareholders. As well as implementing minor improvements in governance, our governance framework is clear and consistent in terms of delegation of authority from our Board of directors to senior levels within our Group.

STATEMENT OF COMMITMENT

The Board is committed to the highest standards of ethics, governance and business integrity and has adopted an integrated approach to managing the Group to ensure that the governance structure actively identifies, communicates on and responds to material matters that impact on the Group's capacity to create value. The Board believes that it has addressed all material matters appropriately and that it fairly represents the integrated performance of the Group. The Board continuously reviews the Group's governance structures and processes to incorporate and accommodate new corporate developments, to facilitate effective leadership, to provide sustainable corporate citizenship in support of the Group's strategy and to reflect national and international corporate governance standards, developments and best practices. *(King IV™ - Principle 6)*

The Board is satisfied that effective controls have been implemented and complied with throughout the Group and that the Company fully complies with the spirit and form of the continuing obligations of the JSE Listings Requirements, King IV™ and the Companies Act.

CREATING VALUE THROUGH SOUND CORPORATE GOVERNANCE

Sound corporate governance and ethics form the foundation of AEEI's business and are pivotal in delivering long-term value to our stakeholders. AEEI has a positive association with all its stakeholders and is committed to the highest standards of ethics and business integrity in all its activities.

OUR GOVERNANCE FRAMEWORK

The Board is the principal decision-maker and is supported by various committees and the executive management team. The Board is responsible for the strategic direction of the Group and the Company's governance framework. The governance framework supports the Company's strategic focus areas.

The Board plays a pivotal role in strategy planning and has established clear benchmarks to measure the strategic objectives of the Company. The Board ensures that its sound governance framework will enhance good corporate governance, improve internal controls and improve the Company's performance. In carrying out the Company's strategic objectives, the Board is assisted by the necessary committees, including the executive committee, with clear terms of reference to assist the Board in discharging its responsibilities. This flows down to the subsidiaries and divisional levels to ensure that the business is provided with a structure within which management can operate effectively.

The Group's governance framework focuses on the following:

- Vision, strategy and performance
- Ethical and responsible leadership
- Finance, including budgets and forecasts
- Corporate citizenship
- Risk management
- Information technology
- Investment
- Products - quality, cost, delivery and competitiveness
- Human capital - health, safety, employee wellness and the environment
- Transformation
- Sustainability
- Stakeholder relations

As AEEI is listed on the JSE, the Company is subject to and has implemented controls to provide reasonable assurance of compliance with all relevant regulatory requirements in respect of its listing. AEEI has applied all the principles of King IV™. *(King IV™ - Principle 6)*

ETHICAL AND RESPONSIBLE LEADERSHIP

The Board provides effective leadership based on a principled foundation and the Group subscribes to the highest ethical standards. Responsible leadership, instilled by the values of responsibility, transparency, accountability and fairness, has been a defining characteristic of the Company since inception.

CORPORATE GOVERNANCE REPORT – continued

AEEI's fundamental objective has always been to do business ethically while building a sustainable Company that recognises the short and long-term impacts of its activities on the economy, society and the environment.

The Group is governed by its Code of Ethics and Code of Conduct. The Code of Ethics requires all directors, management and employees to obey the law, respect others, to be honest and fair and to protect the environment. The Code of Conduct articulates AEEI's commitment to doing business according to best practices, the right way and guided by our values. (*King IV™ - Principles 1 and 2*)

The Board comprises 10 directors of whom six serve as non-executive directors and four as executive directors. The Board is satisfied that its composition contains the appropriate knowledge, skills, experience, independence and race and gender diversity. The Board operates in

terms of a board-approved charter and there is a clear division of responsibilities at Board level to ensure a balance of power and authority. No one individual has unfettered powers of decision-making.

At the AGM on 21 February 2018, Mr Salim Young did not make himself available for re-election as a member of the Board and as a member of the audit and risk, remuneration and investment committees.

The Board reviewed the current membership composition and appointed Mr Abdul Malick Salie as an executive director in the capacity of the chief investment officer, and Advocate Dr Ngoako Ramatlhodi as the lead independent non-executive director to the Board.

The Board is satisfied that it has discharged its duties and obligations as described in the Board Charter during the year under review.

BOARD COMPOSITION – GENDER AND RACE DIVERSITY

GENDER DIVERSITY

Male – 55.55%
Female – 44.45%

RACE DIVERSITY

White – 11%
Black – 78%
Black other – 11% (i.e. non-South African)

APPOINTMENTS TO THE BOARD

In terms of the Company's Memorandum of Incorporation, all directors retire by rotation with the exception of directors appointed as executive directors or as an employee of the Company or any other capacity will not be subjected to retirement by rotation while holding such position.

Non-executive retiring directors offer themselves for re-election by shareholders at the Company's AGM. In addition, the appointment of any new director will be confirmed by shareholders at the first annual general meeting (AGM) following such appointment.

Executive directors do not have fixed-term contracts, but have permanent employment agreements with the Company.

COMPANY SECRETARY

The company secretary is accountable to the Board.

During the year under review, the company secretary provided guidance to the directors in terms of their duties, responsibilities and powers and their responsibilities and liabilities under the Companies Act. The Board was made aware of changes to any relevant law affecting the Company. The company secretary disclosed the corporate actions, SENS announcements and directors' dealings in securities and ensured compliance with the JSE Listings Requirements and the Companies Act.

The Board has considered the competence, qualifications and experience of the new company secretary and is satisfied that they are appropriate. This was concluded

after due assessment following a review by the remuneration committee of the Company regarding the company secretary's qualifications, experience and performance to date. All directors have unlimited access to the services of the company secretary.

The company secretary's appointment and removal is a matter for the whole Board.

The Board is satisfied that an arm's length relationship exists between the company secretary and the Company, as he is not a member of the Board, is not involved in the day-to-day operations of the Company and is not a prescribed officer.

CHANGES TO THE BOARD AND COMPANY SECRETARY

During the year under review, Mr S Young did not make himself available for re-election as a member of the Board or committee member at the AGM held on 21 February 2018. Mr AM Salie was appointed to the Board as an executive director on 21 February 2018 in the capacity of the chief investment officer, and Advocate Dr Ngoako Ramatlhodi was appointed on 7 March 2018 as a non-executive director. As a result of the changes to the Board, the committees were reconstituted accordingly.

The following change was made post the financial period:

The company secretary, Ms Nobulungisa Mbaliseli was the company secretary and secretary to all the committees, resigned on 3 September 2018. Mr Damien Terblanche was appointed as the new company secretary to the Board and committees, effective 4 September 2018.

BOARD COMMITTEES

The Board has the following committees in place to assist it in executing some of its duties:

- Executive committee
- Nomination committee
- Audit and risk committee
- Remuneration committee
- Social, ethics and transformation committee
- Investment committee

NUMBER OF MEETINGS HELD DURING THE YEAR

Board	4
Audit and risk committee	3
Remuneration committee	3
Investment committee	3
Nomination committee	1
Social, ethics and transformation committee	2

DIRECTORS' DETAILS AND ATTENDANCE AT MEETINGS

	EXECUTIVE (E) NON- EXECUTIVE (NE)	OVERALL ATTENDANCE AT BOARD MEETINGS	OVERALL ATTENDANCE AT COMMITTEE MEETINGS	LENGTH OF SERVICE (YEARS)	AGE
K Abdulla	E	100%	100%	11	53
CR Ah Sing	E	100%	N/A	8	44
CF Hendricks	E	100%	100%	9	55
AM Salie*	E	100%	100%	0.6	37
Reverend Dr VC Mehana	NE	100%	86%	11	65
S Young*	NE	100%	100%	N/A	N/A
Advocate Dr N Ramatlhodi*	NE	100%	50%	0.5	63
AB Amod	NE	100%	100%	5	56
JM Gaomab	NE	75%	60%	11	56
TT Hove*	NE	50%	29%	4	36
Z Barends*	NE	100%	50%	4	56

* The above includes Mr Young's attendance who did not make himself available for re-election at the AGM on 21 February 2018. It takes into account Mr Salie's attendance since his appointment at the AGM on 21 February 2018, and Advocate Dr Ramatlhodi's attendance since his appointment on 7 March 2018.

* It does not take into account the appointment of Mr TT Hove as chairman of the remuneration committee nor Ms Z Barend's appointment to the nomination committee as these appointments were made post the last committee meetings.

CORPORATE GOVERNANCE REPORT – continued

EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Ever-changing issues facing companies make it essential to look at the agenda items of the Board to ensure that it stays aligned with good governance and ethics, and also meets current needs, best practices and matters of strategic importance. The independence of directors and their other commitments are also evaluated.

The Board and committees were evaluated by its members using an electronic Appraisal Instrument. Having regard to the findings, it was concluded that the Board and committees operate efficiently, openly, transparently and there is a good level of discussion between members and attendees. The findings addressed some areas for improvement which will be addressed appropriately.

GENDER AND RACE DIVERSITY POLICIES

- Gender diversity policy: During the prior financial year, the Board adopted and approved a gender diversity policy which includes identifying suitable candidates for appointment to the Board. The committee will consider candidates on merit against objective criteria and with due regard to the potential benefits of gender diversity at Board level. The committee will continue to discuss and annually agree on all measurable targets in terms of gender diversity on the Board.
- Race diversity policy: During the year under review the Board adopted and approved a race diversity policy as the Company believes that race diversity at Board level maximises opportunities to achieve its business goals through an informed understanding of the diverse environments in which we operate. The committee will assess the composition and recommend the appointment of directors as a truly diverse Board which will include the differences in age, gender, race, skills and industry experience and other distinctions between directors. The selection of Board members is made on merit, in the context of their skills, experience, independence and knowledge, which the Board as a whole requires to be effective. The committee will consider candidates on merit against objective criteria and with due regard to the potential benefits of race diversity at Board level. The committee will continue to discuss and annually agree all measurable targets in terms of race diversity on the Board.

EXECUTIVE COMMITTEE

The role of the executive committee is to advise the chief executive officer and the other members on the decisions for which they are individually accountable. The executive committee provides input and recommendations to support the chief executive officer in exercising their authority delegated by the Board to run the business of the Group.

Key focus areas of the executive committee:

- Developing the Group's strategy and budget for the Board's approval
- The day-to-day operations of the Company
- Executing the strategic plan once agreed by the Board
- Assuming overall responsibility for the growth and performance of the Group
- Providing assurance to the Board in relation to the overall performance and risk management
- The custodian of good corporate governance
- Providing strategic guidance and input to the subsidiaries in the Group
- Monitoring and managing the capital requirements and allocating and investing its resources
- Responsible for the investment portfolio of the Company
- Ensuring that the Company is a respected corporate citizen
- Receives reports, plans and provides input to subsidiaries in the Group

The Board is satisfied that the executive directors and their teams are adequately resourced and equipped to effectively manage the Group.

NOMINATION COMMITTEE

The nomination committee comprises three non-executive directors. Reverend Dr VC Mehana is the chairman and Mrs AB Amod and Ms Z Barends are members. The committee met once during the year under review to assist the Board with the appointment of new directors by making recommendations with due regard to gender and race diversity.

At the AGM on 21 February 2018, Mr S Young did not make himself available for re-election and Mr Abdul Malick Salie was appointed as an executive in the capacity of the chief investment officer. Advocate Dr Ngoako Ramatlhodi was appointed as a lead independent non-executive director on 7 March 2018.

Due to Mr Young's non-availability for re-election as a director, the Board reconstituted the committees as Mr Young's position as a committee member became vacant and the following appointments were made to committees:

- Ms Z Barends was appointed to the nomination committee
- Mr TT Hove was appointed as the chairman of the audit and risk and remuneration committees
- Advocate Dr NA Ramatlhodi was appointed as a member of the audit and risk and the investment committees
- Mr AM Salie was appointed as a member of the investment committee

The full report by the nomination committee containing details of how the committee discharged its duties and responsibilities can be found on pages 20 to 21 of the full corporate governance report which is available on www.aeei.co.za.

AUDIT AND RISK COMMITTEE

The audit and risk committee comprises three independent non-executive directors and one lead independent non-executive. Mr TT Hove is the chairman and the members are Mrs AB Amod, Mr JM Gaomab and Advocate Dr NA Ramatlhodi. The committee met three times during the year under review. The executive committee, external auditor, internal auditor and advisor attend by invitation and do not form part of the decision-making process of the audit and risk committee.

Risk management – The Board has delegated the management of risk to the audit and risk committee. The Board is committed to effective risk management in pursuit of the Group's strategic objectives with the aim of growing shareholder value sustainably. The Board understands that proactive risk management is both an essential element of good corporate governance and an enabler in realising opportunities and continues to enhance its capabilities to anticipate risks and manage them.

Technology and information governance – The Board is responsible for technology and information governance in the Group and delegated the management of technology and information governance to the audit and risk committee to ensure the promotion of an ethical technology and information governance culture and awareness.

Expertise and experience of the chief financial officer and the finance function – The audit and risk committee satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Group CFO and the finance function have the appropriate expertise and experience and are adequately resourced.

The audit and risk committee is responsible for the oversight of risk management and technology and information. The role, responsibilities and focus areas for the year under review are comprehensively addressed in the audit and risk committee report on pages 22 to 27 of the full corporate governance report which is available on www.aeei.co.za.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board in terms of the board-approved charter. The chairman of the audit and risk committee reports to the Board on the activities of the committee at each Board meeting.

REMUNERATION COMMITTEE

The remuneration committee comprises three independent non-executive directors. Mr TT Hove is the chairman and the members are Mrs AB Amod and Reverend Dr VC Mehana. The chief executive officer and external advisor attend by invitation and do not form part of the decision-making process of the remuneration committee. The remuneration committee met three times during the year under review.

The role, responsibilities and focus areas for the year under review are comprehensively addressed in the remuneration committee report on pages 99 to 104 and in the full corporate governance report which is available on www.aeei.co.za.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board in terms of the board-approved charter. The chairman of the remuneration committee reports to the Board on the activities of the committee at each Board meeting.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The social, ethics and transformation committee comprises three independent non-executive directors and one executive director. Mrs AB Amod is the chairman and the members are Ms Z Barends, Mr JM Gaomab and Ms CF Hendricks. Members of the executive committee and the human resources department attend by invitation

CORPORATE GOVERNANCE REPORT – continued

and do not form part of the decision-making process of the social, ethics and transformation committee. The committee met twice during the year under review.

The committee is committed to sustainable development and is therefore responsible for ensuring that the Group conducts its operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs. The committee's primary role is to support, advise and guide management's efforts in respect of sustainable development, social and ethics matters, transformation, and to ensure that the Group is seen to be a responsible corporate citizen.

One of the main purposes of the committee is to ensure compliance with the amended B-BBEE Codes of Good Practice and to measure the Company in terms of compliance with the Department of Trade and Industry's Code of Good Practice, the JSE Listings Requirements and the B-BBEE Commission. As a responsible employer, the Group adhered to all labour legislation. Transformation goes beyond compliance with B-BBEE and is embedded in the Group's culture, ethics and values.

The committee has oversight of the Group's corporate social investments and social and economic development programmes.

The role, responsibilities and focus areas for the year under review are comprehensively addressed in the social, ethics and transformation committee report on pages 49 to 54 of the full corporate governance report which is available on www.aeei.co.za.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board in terms of the board-approved charter. The chairman of the social, ethics and transformation committee reports to the Board on the activities of the committee at each Board meeting.

INVESTMENT COMMITTEE

The investment committee comprises three independent non-executive directors and two executive directors. Reverend Dr VC Mehana is the chairman and the members are Messrs K Abdulla, AM Salie and TT Hove and Advocate Dr NA Ramatlhodi. Members of the executive committee attend by invitation and do not form part of the decision-making process of the investment committee. The committee met three times during the year under review.

The committee has an independent role, operating as an overseer and making recommendations to the Board for its consideration and final approval in terms of investment opportunities. Investments are adjudicated to ensure it has both a strategic fit with synergistic benefits to the current level of return with a reasonable payback period based on the specific industry.

The committee is well balanced with essential legal, financial and strategic expertise.

The role, responsibilities and focus areas for the year under review are comprehensively addressed in the investment committee report on pages 55 to 58 of the full corporate governance report which is available on www.aeei.co.za.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board in terms of the board-approved charter. The chairman of the investment committee reports to the Board on the activities of the committee at each Board meeting.

REPORTING TO STAKEHOLDERS ON STRATEGY AND PERFORMANCE

The Group's strategy and performance are covered comprehensively in the reports of the chairman, chief executive officer and the group financial officer.

AEEI appreciates the role of its stakeholders and remains committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. The Group recognises that its businesses are one of the stakeholders in the socio-economic and environmental system. It is essential for the Group to compete successfully in an increasingly complex and ever-changing business environment and to systematically bring about the change needed for sustainable development. We built and maintained trust and respect with our various stakeholders, thus ensuring a positive impact on our reputation.

AEEI places great value on its high standards of ethics, communication, transparency of information in terms of the Promotion of Access to Information Act, Protection of Personal Information Act, 2013, and other regulations and directives relating to the dissemination of information.

The Company has identified stakeholder groups with whom it engages in a structured manner. Refer to key stakeholders on pages 90 to 97 for full details.

We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders.

(King IV™ - Principle 16)

GOVERNANCE MATTERS

The system of internal control is designed to ensure that significant risks are appropriately identified, managed and provide reasonable assurance that the Board can delegate risk management to the audit and risk committee. AEEI places great value on its high standards of corporate governance, ethics, communication and transparency of information in terms of the Promotion of Access to Information Act and other regulations and directives relating to the dissemination of risk with its stakeholders

Risk management – A key component of the audit and risk committee was to review the top risks that the Group faces in order to respond to new and emerging risks and to ensure alignment with regulatory changes as well as best practice. In doing so, the committee took into account stakeholder needs, corporate governance principles, risk trends, global trends and external dynamics. Refer to page 28 for the full risk management report.

Compliance – The audit and risk committee is responsible for reviewing the compliance with legal, regulatory, codes and other standards and continually monitors the implementation of the legal compliance processes. The audit and risk committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review. *(King IV™ - Principle 13)*

Group internal audit – The Group internal auditor performs an independent assurance function. The Group internal auditor had unrestricted access to the Group chief executive officer, chief financial officer and the chairman of the audit and risk committee.

The primary objective of the Group internal auditor during the year was to provide independent objective assurance and consulting activity on the adequacy and effectiveness of the Group's systems of governance, risk management and internal control and reports functionally to the audit and risk committee. The audit and risk committee monitored the effectiveness of the internal audit function in terms of its scope, independence, skills and competence, execution of its plan and overall performance.

The Group internal auditor recommended the annual internal audit plan for approval to the audit and risk committee. The audit and risk committee approved the formal internal audit plan, which included risk-based

audits and operational audit reviews of the Group's governance and business processes for 2018.

The role, responsibilities and focus areas for the year under review are comprehensively addressed in the audit and risk committee report on pages 24 to 25 of the full corporate governance report which is available on www.aeei.co.za.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board in terms of the board-approved charter. The chairman of the audit and risk committee reports to the Board on the activities of the committee at each Board meeting.

STAKEHOLDER RELATIONSHIPS

The Group subscribes to a policy of full, accurate and consistent communication with regard to all its affairs. The Board seeks to present a balanced and understandable assessment of the Group's position at all times when reporting to stakeholders. The integrated report deals adequately with disclosures relating to financial statements, auditors' responsibility, accounting records, internal controls, risk management, accounting policies, adherence to accounting standards, going concern issues, as well as the Group's adherence to established codes of governance.

The role, responsibilities and focus areas for the year under review are comprehensively addressed in the stakeholders' relations report on pages 90 to 97 – Building relationships with our stakeholders.

ENGAGING WITH OUR STAKEHOLDERS

The Group's stakeholder engagement is governed by the recommendations of King IV™. AEEI has a stakeholder engagement framework, which includes communication guidelines and corporate identity. AEEI's stakeholder engagement framework outlines the Company's approach to communicating and working with its stakeholders. Engagement is an integral part of developing an understanding of our stakeholders' needs, interests and expectations and assists with strategic and sustainable decision-making.

Stakeholder consultation and relationship management are implemented in all divisions of the Group. Our stakeholders' expectations are identified through regular engagements, personal interactions and our financial and sustainability reports. The Board appreciates that it is required to provide timeous, relevant and accurate information and continually strives to maintain open direct dialogue with all its stakeholders.

CORPORATE GOVERNANCE REPORT – continued

AEEI regularly communicated with its stakeholders during the year under review, which included the presentation of the Group’s strategy and performance. Engaging with stakeholders is decentralised and forms part of the operations of our various business units. Each business unit is required to report regularly on its stakeholder engagements. For further information refer to page 90 – Building relationships with our stakeholders. (King IV™ – Principle 16)

This statement shows the total value created and how it was distributed.

RESPECTED CORPORATE CITIZENSHIP

The Board and management recognise that AEEI is an economic entity as well as a corporate citizen and that it has a social and moral standing in society with all the attendant responsibilities. Further information is provided in our corporate social investment report on page 26. (King IV™ – Principle 3)

ASSURANCE REPORT

As an investment holding company, AEEI does not require assurance in respect of any reports other than its financial statements. Such assurance is provided by the Group’s external auditors, BDO Cape Inc.

APPLICATION OF AND APPROACH TO KING IV™

In supporting King IV™ the Board recognises that it is the custodian of corporate governance for the Company and ensured that directors:

- lead ethically and effectively;
- supported an ethical culture;
- set the strategic direction for the Group for the year ahead;
- approved policies and planning; and
- administered and monitored the Group’s risks and opportunities, strategy, business model, performance and sustainable development.

The Board ensured compliance with applicable laws, rules, codes and standards in a way that supported the Group in being ethical and a good corporate citizen. It ensured that remuneration is fair and transparent and that the integrity of information for decision-making internally and externally was assured. A stakeholder-inclusive approach was applied in the Group to ensure that the needs, interests and expectations of material stakeholders were addressed.



A statement on AEEI’s application of the principles of the King IV™ is available on www.aeei.co.za.

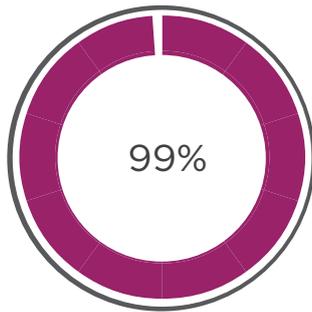
AEEI has applied all the principles of King IV™.

2018 VALUE DISTRIBUTION

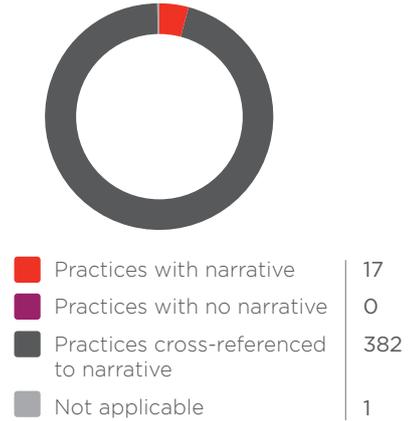


KING IV™ REPORT WRITER - DETAILED BY PRACTICE

COMPLETENESS METER

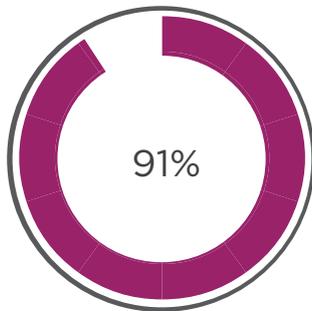


PRACTICE COUNT



KING IV™ MANAGEMENT REVIEW

COMPLETENESS METER

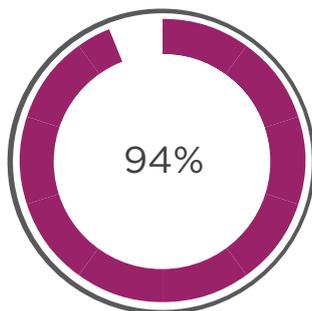


PRACTICE COUNT



KING IV™ REPORT WRITER - BY PRINCIPLE

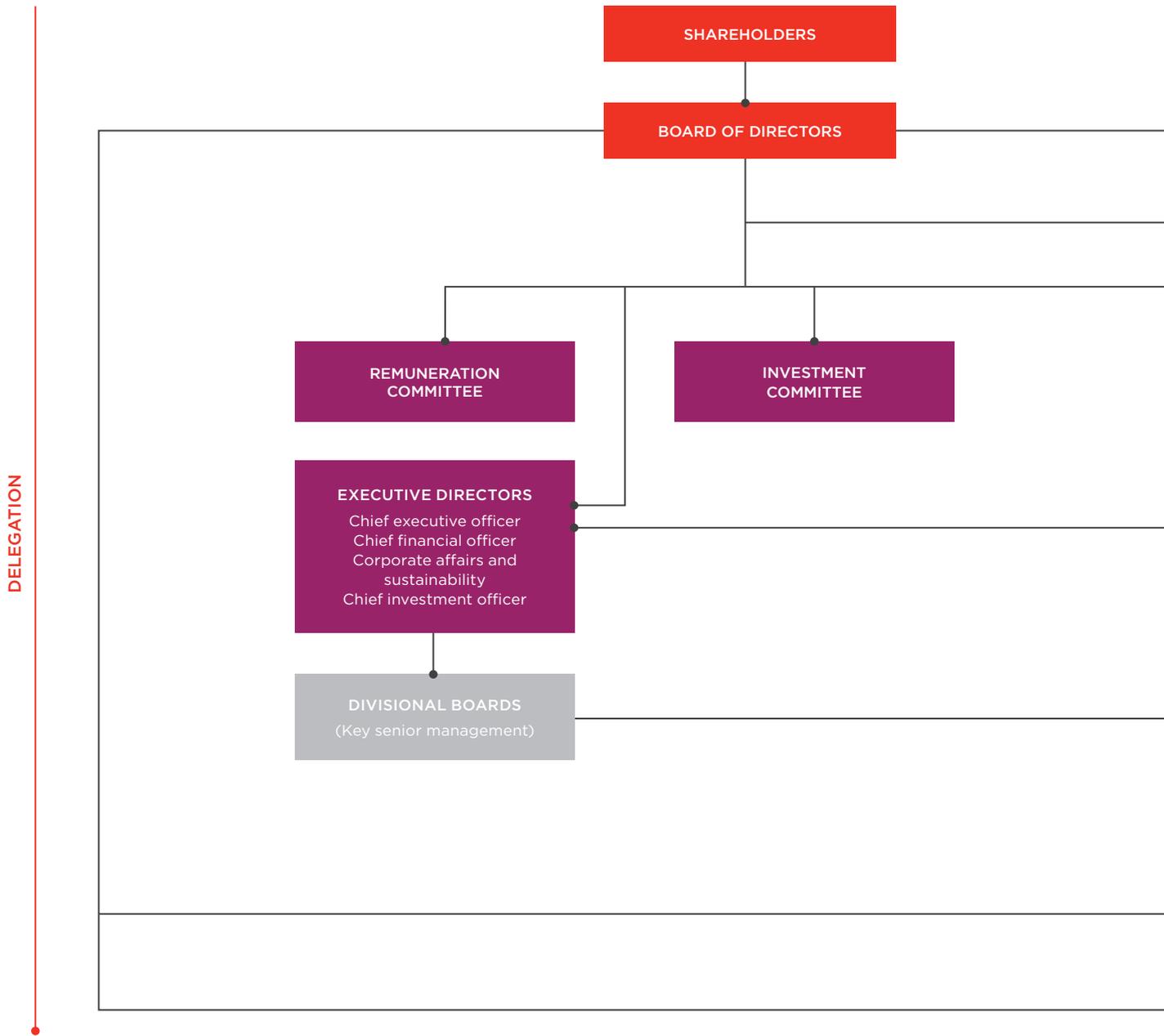
COMPLETENESS METER

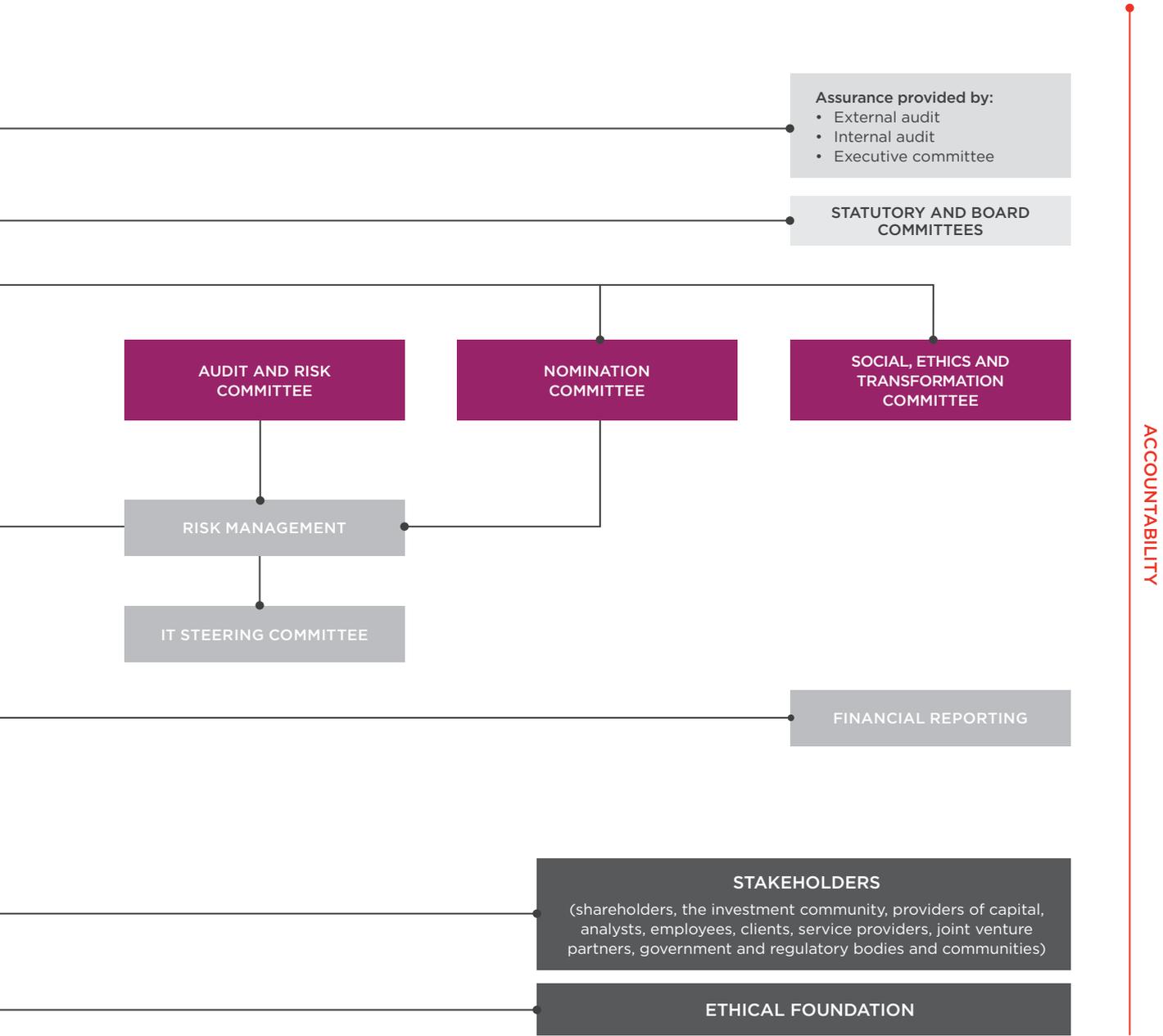


PRACTICE COUNT



CORPORATE GOVERNANCE STRUCTURE





OUR EFFECTIVE LEADERSHIP

In terms of AEEI's Memorandum of Incorporation and Board Charter, the Board is responsible for strategic direction and ultimate control of the Company.





FRONT (left-right): Cherie Felicity Hendricks, Zenariah Barends, Chantelle Ah Sing, Aziza Begum Amod
BACK (left-right): Abdul Malick Salie, Takudzwa Tanyaradzwa Hove, Reverend Dr Vukile Charles Mehana,
Khalid Abdulla, Advocate Dr Ngoako Abel Ramatlhodi, Johannes Mihe Gaomab

CORPORATE GOVERNANCE REPORT – continued

INTRODUCING OUR BOARD OF DIRECTORS

The diversity and skills of our Board ensure that the Group is steered to deliver growth to all our stakeholders.



CHIEF EXECUTIVE OFFICER
Khalid Abdulla (53)

MBA (UCT), BCompt (Hons), CTA (Unisa), Project Management (UCT)

Appointed: 29 August 2007

Nationality: South African

Board committee:
 Investment committee

Expertise and experience: Mr Abdulla is the Group chief executive officer (CEO) of AEEI and has been with the Group since 1999. He served as the CEO of various subsidiaries, i.e. the information technology and financial services businesses and as Group chief financial officer (CFO) in 2007 before being appointed as Group CEO in November 2009.

Mr Abdulla has been appointed to and serves on various boards, committees and non-governmental organisations (NGOs). He has more than 30 years' commercial experience related to fishing, technology, health, biotherapeutics, events and tourism and financial services. He is a regular invitee to and participant at the World Economic Forum in Africa as well as the Summer Davos in China. He was a speaker for the Department of Trade and Industry at conferences in the United Kingdom and Germany for "Investing into South Africa".

Mr Abdulla is the recipient of many awards, including the Global Leadership Excellence Award presented at the World Leadership Congress and Awards which took place in Mauritius; overall winner of the Inaugural South African Vision 2030 Future Maker: Driver for Change 2017 Award; and the overall winner at the Oliver Empowerment Awards as SA's most Empowered Business Leader of the Year (2017). Financial Mail voted him as one of the best CEOs in the country in 2016 and also ranked him among the 10 best executives of 2015. Mr Abdulla was the recipient of the prestigious Black Business Executive Circle/Absa Bank Kaelo Award for giving guidance and leadership to grow junior and middle management.

Major directorships: Premier Fishing and Brands Ltd, BT Communication Services South Africa (Pty) Ltd, Saab Grintek Defence (Pty) Ltd, Health System Technologies (Pty) Ltd, espAfrika (Pty) Ltd, Bioclones (Pty) Ltd, Premier Fishing SA (Pty) Ltd, Puleng Technologies (Pty) Ltd, Kalula Communications (Pty) Ltd trading as Headsets Solutions, Orleans Cosmetics (Pty) Ltd, Tripos Travel (Pty) Ltd, AfriNat (Pty) Ltd and Magic 828 (Pty) Ltd



CHIEF FINANCIAL OFFICER
Chantelle Rae Ah Sing (44)

BCom (Nelson Mandela University), Post-graduate diploma in Accounting (University of KwaZulu-Natal)

Appointed: 19 November 2009

Nationality: South African

Expertise and experience: Ms Ah Sing is the Group CFO of AEEI and was appointed to the AEEI Board as an executive director in November 2009. She joined the Group in 2007 under the health and biotherapeutics divisions, where she was promoted to the role of financial director.

She has more than 15 years' experience in the commercial sector and held various operational and financial management positions within various industries including service, manufacturing, healthcare and biotechnology after she qualified as a chartered accountant.

Major directorships: Premier Fishing SA (Pty) Ltd, AfriNat (Pty) Ltd, Bioclones (Pty) Ltd, Ribotech (Pty) Ltd, Saab Grintek Defence (Pty) Ltd and Health System Technologies (Pty) Ltd

EXECUTIVE DIRECTORS



CORPORATE AFFAIRS AND SUSTAINABILITY DIRECTOR

Cherie Felicity Hendricks (55)

University of Cambridge Programme for Sustainability Leadership, Incite Sustainability Executive Programme, Executive Women in Leadership Programme (University of Cape Town – Graduate School of Business)

Appointed: 18 March 2009

Nationality: South African

Board committees:

Social, ethics and transformation committee

Expertise and experience: Ms Hendricks is the corporate affairs and sustainability director responsible for corporate affairs, which include sustainability, regulatory compliance, corporate social investment and Group communication. With more than 19 years of experience at the Group and an in-depth knowledge of the corporate and investment sectors, she currently sits on the boards of the Group's major investments and links the Group's subsidiaries with the Group's corporate office.

Ms Hendricks oversees corporate governance across the Group. Her portfolio includes writing of policies and procedures and keeping abreast of regulatory changes, ensuring good corporate governance practices are adhered to and assisting with the governing of ethics. She ensures compliance with the JSE Listings Requirements, Companies Act and King IV™. She is accountable for sustainability, transformation and social responsibility programmes and develops plans and executes the Group's corporate affairs strategy. She oversees the building of the Group's brand and ethos and mentors and oversees the internal and external communication, supervises the marketing, investor relations and public relations activities within the Group. She manages the human resources department ensuring that fairness and ethical standards are upheld and is a primary contributor to the company secretarial department. She is the recipient of numerous prestigious awards, including CEO's Award for Excellence in Management, Chairman's Award for Loyalty Services and Dedication, Long Service Award and won the Highest Sustainability Data Transparency Index twice – in the Financial Services Sector by the Integrated Reporting Assurance Services out of more than 300 Top JSE-listed companies.

Major directorships: Premier Fishing and Brands Ltd, AYO Technology Solutions Ltd, Health System Technologies (Pty) Ltd, Premier Fishing SA (Pty) Ltd, Ribotech (Pty) Ltd, espAfrika (Pty) Ltd, Independent Newspapers (Pty) Ltd, Bioclones (Pty) Ltd, Condé Nast Magazines (Pty) Ltd, Sekunjalo Independent Media (Pty) Ltd, Puleng Technologies (Pty) Ltd, Kalula Communications (Pty) Ltd trading as Headset Solutions, African News Agency (Pty) Ltd and Orleans Cosmetics (Pty) Ltd



CHIEF INVESTMENT OFFICER

Abdul Malick Salie (37)

BCom (Hons), CA(SA)

Appointed: 21 February 2018

Nationality: South African

Board committees:

Investment committee

Expertise and experience: Mr Salie brings expertise in commercial and financial disciplines. He has more than 15 years' experience holding numerous directorships in the financial and information technology sectors. Mr Salie holds office as the chief investment officer of AEEI and served employment in various operational and financial roles in multinational groups such as Vodacom, Pioneer Foods and the Naspers Group. He also has extensive local and international experience in audit and regulatory environments.

Major directorships: Archird 28 (Pty) Ltd, AEEI Corporate Finance (Pty) Ltd, Orleans Cosmetics (Pty) Ltd, Tripos Travel (Pty) Ltd, Kalula Communications (Pty) Ltd, Puleng Technologies (Pty) Ltd and Software Tech Holdings (Pty) Ltd

CORPORATE GOVERNANCE REPORT – continued

INTRODUCING OUR BOARD OF DIRECTORS

The diversity and skills of our Board ensure that the Group is steered to deliver growth to all our stakeholders.



INDEPENDENT NON-EXECUTIVE CHAIRMAN

Reverend Dr Vukile Charles Mehana (65)

PhD (University of Johannesburg), DBA, Honoris Causa (Commonwealth University), MBA (De Montfort University, UK), Master Class Certificate (London Graduate School), BTh (Rhodes University), AMP (Insead Business School, France), Certificate in Public Enterprises (National University of Singapore), DPhil (University of Johannesburg), Top Management Certificate on Public Enterprise (National University of Singapore)

Appointed: 8 August 2007

Nationality: South African

Board committees:

Chairman of the investment committee
Chairman of the nomination committee
Remuneration committee

Expertise and experience: Reverend Dr Mehana is an ordained Minister of the Methodist Church. He has also been appointed by the Minister of Higher Education to the Governing Council of the University of KwaZulu-Natal (UKZN) and he is the Chair of Council.

Reverend Dr Mehana is a former Adjunct Professor and part-time lecturer of Business Strategy at UCT Graduate School of Business, where he taught Business Strategy course to the AIM Programme, Change Management to Diploma and assisted with the Business Leadership for MBA students.

Reverend Dr Mehana is also one of the 40 Social Cohesion Advocates under the Ministry of Arts and Culture.

Major directorships: LRMG (Pty) Ltd (chairman), The Performance Agency (South Africa) (Pty) Ltd (director), Mazwe Financial Services (non-executive chairman), Makana Investment Corporation (Pty) Ltd (non-executive director representing the Ex-Political Prisoners Trust), espAfrika (Pty) Ltd (non-executive chairman), Community Schemes Ombud Service (chairman), Sizwe Africa IT Group (Pty) Ltd (non-executive chairman), Mustek Ltd (non-executive chairman), Premier Fishing and Brands Ltd (non-executive chairman), chairman of the SAPS Ministerial Transformation Task Team and chair of the Governing Council of UKZN



LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Advocate Dr Ngoako Abel Ramatlhodi (63)

BA Law and LLB (National University of Lesotho), MSc in International Relations (University of Zimbabwe), admitted to the Bar of Lesotho and South Africa as an Advocate, Honorary Doctor of Law Degree (University of Limpopo)

Appointed: 7 March 2018

Nationality: South African

Board committees:

Audit and risk committee
Investment committee

Expertise and experience: Advocate Dr Ramatlhodi is an experienced businessman, lawyer and advocate. He was the Premier of Limpopo and held the positions of Minister of Public Services, Minister of Mineral Resources and Deputy Minister of Correctional Services and was a member of the South African Parliament. Advocate Dr Ramatlhodi is a founder member and the first chairman of the University of the North Arts and Drama Association and chairman of the Central Cultural Committee. He lectured Public International Law at the University of the North.

Advocate Dr Ramatlhodi maintains board positions in a number of other companies.

Major directorships: Premier Fishing and Brands Ltd, AYO Technology Solutions Ltd and Ebeneza Oils (Pty) Ltd



INDEPENDENT NON-EXECUTIVE DIRECTOR

Johannes Mihe Gaomab (56)

Appointed: 13 September 2006

Nationality: Namibian

Board committees:

Audit and risk committee
Social, ethics and transformation committee

Expertise and experience: Mr Gaomab is an international businessman with major business interests in Namibia and South Africa. He is the founder and chairman of Gaomab Investments Management CC, Gulf Oil Marine (Pty) Ltd, Namibia Atlantic Petroleum and Shipping Corporation and the executive chairman of African Renaissance Mining Company (Pty) Ltd, a South African company with subsidiaries in Namibia, the Democratic Republic of the Congo, Malawi and Zambia.

Major directorships: Gaomab Investments Management CC, Gulf Oil Marine (Pty) Ltd, Namibia Atlantic Petroleum and Shipping Corporation (Pty) Ltd (chairman) and African Renaissance Mining Company (Pty) Ltd

NON-EXECUTIVE BOARD MEMBERS



INDEPENDENT NON-EXECUTIVE DIRECTOR

Aziza Begum Amod (56)

Appointed: 12 November 2012**Nationality:** South African**Board committees:**

Chairman of the social, ethics and transformation committee
Remuneration committee
Nomination committee

Expertise and experience: Ms Amod is a professional director, businesswoman, philanthropist and entrepreneur with more than 30 years of business experience in the retail sector. She provides consultancy to women-owned businesses in the areas of impact investment, social innovation and technology applications for social impact in the food and retail sector.

Ms Amod has been featured and published in numerous articles in relation to business and female entrepreneurs. She is a well-known philanthropist supporting a number of NGOs, outreach programmes and serves on the board of trustees of numerous philanthropic associations. She currently serves as a director and trustee on various business entities and trusts.

Major directorships: Health System Technologies (Pty) Ltd, AYO Technology Solutions Ltd and Premier Fishing and Brands Ltd



INDEPENDENT NON-EXECUTIVE DIRECTOR

Takudzwa Tanyaradzwa Hove (36)

BCom (Hons) Accounting (Nelson Mandela University) CA(SA), ACMA, CGMA

Appointed: 4 September 2013**Nationality:** Zimbabwean**Board committees:**

Chairman of the audit and risk committee
Chairman of the remuneration committee
Investment committee

Expertise and experience: Mr Hove worked for AEEI from April 2009 until September 2013 and held several positions, including Group financial manager and corporate finance executive. He has in-depth knowledge of the Group's diverse operations, having worked closely with the operational heads of the Group's businesses. He is currently an executive director of Independent Media (Pty) Ltd.

Major directorships: Independent Media (Pty) Ltd, Sagarmatha Technologies Ltd, Condé Nast Independent Magazines (Pty) Ltd, Allied Publishing (Pty) Ltd, Allied Media Distributors (Pty) Ltd and Loot Online (Pty) Ltd



INDEPENDENT NON-EXECUTIVE DIRECTOR

Zenariah Barends (56)

Diploma in Library and Information Science, BA (Hons) (University of the Western Cape)

Appointed: 14 November 2014**Nationality:** South African**Board committees:**

Nomination committee
Social, ethics and transformation committee

Expertise and experience: Ms Barends is the chairperson, trustee and board member of a number of civil society institutions including Inyathelo: The South African Institute for Advancement. She has a long history of involvement in arts and culture through the Cape Cultural Collective as well as a strong track record in human rights activism.

She served as the Western Cape Head of Investigations of the Truth and Reconciliation Commission, chaired by Nobel Laureate, Archbishop Desmond Tutu.

In her current portfolio, Ms Barends is chief of staff at Independent Media (Pty) Ltd. She was appointed as a senior executive at Sekunjalo Investment Holdings (Pty) Ltd in 2017. Her portfolio includes coordinating the involvement of the Sekunjalo Group in the BRICS Business Council, where she has also served as the Chief Secretariat of the South African Chapter of the BRICS Business Council. She is also responsible for coordinating the Sekunjalo Group's various World Economic Forum activities, which include the Sekunjalo Group's involvement in the Global Agenda Council on Emerging Multinationals and the Global Growth Companies Advisory Board.

Major directorships: Trustee on the Board of Trustees of Inyathelo: The South African Institute for Advancement

CORPORATE GOVERNANCE REPORT – continued

OUR EXECUTIVE TEAM

CHIEF EXECUTIVE OFFICER

Mr Khalid Abdulla is the CEO of the Group and is an executive director appointed by the Board.

During the year under review he was responsible for leading the implementation and execution of the approved strategy, policy and operational planning. He served as the chief link between management and the Board and is accountable to the Board.

He is responsible for aiding the achievement of performance goals, objectives and targets as well as maintaining an effective management team and management structures. He continued with the implementation of the Group's Vision 2020 Vision strategy as approved by the Board. He reviewed the annual business plans and budgets that support the Company's long-term view and made recommendations thereon. He ensured that the appropriate policies were formulated and implemented to guide activities across the Group and ensured effective internal organisation and governance measures were deployed.

A succession plan is in place for the CEO in the event of unplanned leave or planned resignation. (*King IV™ – Principle 10*)

CHIEF FINANCIAL OFFICER

Ms Chantelle Ah Sing is the CFO of the Group and is an executive director.

During the year under review she assisted the Board to protect and manage the Company's financial position with the assistance of the audit and risk committee. She supervises and reviews the financial statements to ensure that they are fairly presented and contain the proper disclosures. She plays the overseer role to ensure the appropriate internal controls and regulatory compliance policies and processes are in place and that non-financial aspects relevant to the business of the Company were identified.

The audit and risk committee has considered the expertise and experience of the CFO and deems it appropriate. The audit and risk committee has considered and is satisfied that the finance department has the appropriate expertise and is adequately resourced. (*King IV™ – Principle 10*)

CORPORATE AFFAIRS AND SUSTAINABILITY

Ms Cherie Hendricks is the corporate affairs and sustainability director and is an executive director.

During the year under review, she ensured an effective ethical culture and that corporate governance is maintained in the Group. She reported to the Board on social and economic development, B-BBEE, sustainable development, transformation and good corporate citizenship, with the emphasis on corporate social responsibility. She is accountable for sustainability, transformation and social responsibility programmes and develops plans and executes the Group's corporate affairs strategy.

She ensured regulatory compliance with the JSE Listings Requirements, Companies Act and King IV™. She wrote new policies and procedures, updated existing policies and procedures and also updated Board policies and charters in compliance with statutory, regulatory and legislative requirements for adoption and approval by the Board. She ensured that good corporate governance practices are adhered to and assisted with the governance of ethics. She ensured that stakeholder relationships and stakeholder engagement activities, consumer relationships, including public relations and marketing, were managed effectively.

She manages the human resources department ensuring that fairness and ethical standards are upheld and is a primary contributor to the company secretarial department. She ensured that the human resources function and employment activities were aligned with Group policies.

She is responsible for writing the integrated report, the notice of the annual general meeting and form of proxy to the shareholders and ensured the timely delivery thereof. (*King IV™ – Principle 10*)

CHIEF INVESTMENT OFFICER

Mr Abdul Malick Salie is the chief investment officer (CIO) and an executive director.

The CIO is responsible for carrying out the duties as delegated by the investment committee. The main role of the position includes having a firm understanding of the Group's broad growth strategy – organic and acquisitive; leading the Group's investment strategy by providing recommendations of suitable investments; and preparing and submitting executive reports to management, the Board and clients. The CIO must maintain a broad understanding of and ensure continued development of all market securities plans to ensure satisfactory management of the Group's investment portfolio, and must also explore innovative and new approaches to the investment process as well as strategies for generating desirable returns for all stakeholders.

During the year under review Mr Salie developed and maintained an efficient relationship with the investment committee; ensured compliance with all policies and laws while monitoring the Group's current investments; and ensured operational efficiency across all Group entities using sound business development techniques.

He analysed the performance of the Group's investment portfolio and presented recommendations for additional investment opportunities and potential acquisitions to the investment committee. All recommendations were based on thorough research as well as in-depth quantitative and qualitative assessments of the businesses. Investment opportunities spanned across all AEEI's current segments and were selected based on the entities being key strategic fits within their relevant segments as well as offering future synergistic growth within the Group. All of the investment opportunities that arose were documented and analysed by preparing regular investment reports and reviews, including quantitative and qualitative portfolio studies. He reviewed quarterly financial statements and remained up to date with important valuation and policy changes.

BUILDING RELATIONSHIPS WITH OUR STAKEHOLDERS

At AEEI we believe that the strength of our relationships with our key stakeholders is critical in achieving our strategic objectives and creating mutual value for the Company and our stakeholders. As such, our stakeholder management approach involves gaining a thorough understanding of key stakeholders, assessing the matters that are material to them, including risks and opportunities. Our approach manages stakeholders' expectations and how much material matters impact them and the Group.

AEEI appreciates the role of its stakeholders and is committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. The Group recognises that its business is but one of the stakeholders in the socio-economic and environmental system. It is essential for the Group to compete successfully in an increasingly complex and ever-changing business environment and to systematically bring about the change needed for sustainable development. Building and maintaining trust and respect with our various stakeholders has a positive impact on our reputation

and is essential in addressing risks and opportunities. We strive to respond timeously and appropriately to issues raised during our interactions.

Stakeholder engagement involves communicating our strategy, performance, decisions and activities that impact our stakeholders or are of significant interest to them, as well as understanding the needs and perspectives of our stakeholders.

Our stakeholders are integral to our ability to protect, create and grow value, a process that is advanced through relationships with others and balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time.

The views and actions of our stakeholders can impact our ability to execute our strategy and conduct our business activities. The feedback from our stakeholders enables us to develop and update our engagement plan to help us create stronger partnerships and improve our overall relationships. We respond appropriately and timeously to matters that emerge – whether they are regulatory, shareholder-based or others.

WE HAVE IDENTIFIED THE FOLLOWING KEY STAKEHOLDER GROUPS WITH WHOM THE GROUP ENGAGES IN A STRUCTURED MANNER:



BELOW IS AN OVERVIEW OF HOW WE ENGAGED WITH OUR PRINCIPAL STAKEHOLDERS INCLUDING WHAT THEY EXPECT FROM US:



SHAREHOLDERS, THE INVESTMENT COMMUNITY AND PROVIDERS OF CAPITAL

WHO ARE OUR SHAREHOLDERS?

We have a broad shareholder base, which includes our shareholders, the investment community and providers of capital. These are our primary stakeholders as they provide financial capital to sustain our business. Most of our shareholders have taken a medium to long-term view on their investment in AEEI. We believe that, due to the like-mindedness of our long-term shareholders, we are able to grow our business sustainably.

Our retained earnings are key to running our businesses and making strategic investments.

As at 31 August 2018, we have **1 961 SHAREHOLDERS**

LOCAL: 1 829 SHAREHOLDERS

INTERNATIONAL: 32 SHAREHOLDERS

(96.83%)

(3.17%)

WHAT THEY EXPECT FROM US:

Engaging with our stakeholders is important to identify their needs and manage their expectations. These include creating sustainable growth, value-add and return on investments, net asset value (NAV), regular dividend payments and growth and a strong balance sheet allocation of capital to businesses with high returns. Experienced leadership, transparent reporting, ethical operations on a sustainable basis, responsible corporate governance and ethics are important to our stakeholders.

PRIMARY CONCERNS:

Shareholders, analysts and providers of capital:

- Sustainability of the business and operational performance
- Acceptable return on investment capital
- Shareholder returns
- Capital management
- Growth of the businesses
- Group strategy including risks and opportunities
- Access to management

HOW WE ADDRESS THESE CONCERNS:

The delivery on our strategy to develop balance in the businesses across all areas supports the return and sustainability of the businesses. Management engages regularly with shareholders, investors and capital providers to maintain awareness of shareholder expectations and understand their needs. The Group reports against its Vision 2020 Vision and well-defined return targets.

BUILDING RELATIONSHIPS WITH OUR STAKEHOLDERS – continued


**SHAREHOLDERS, THE INVESTMENT COMMUNITY AND PROVIDERS OF CAPITAL
(continued)**
HOW WE ENGAGE WITH THEM:

A strategic, integrated business management and reporting approach that addresses economic, social and environmental issues, and reviews of business performance is done on a regular basis.

We engage through formal and informal interactions and these channels include:

- Annual general meeting
- Annual and interim results presentations
- SENS announcements
- Pre-results and post-results feedback
- Integrated report
- Sustainability information
- Investor analyst reports
- Road shows
- Site visits
- Media – print, television, radio broadcasts and social media
- Ad hoc meetings (as requested)
- Investor conferences
- Our website – www.aeei.co.za


HOW WE DELIVERED VALUE TO THEM:

Consistent financial performance and organic growth: Restated profit before tax increased to R6 010 650m from R631m. Earnings per share increased to 1 016.01c from 97.10c in 2017. NAV per share increased from 260.00c to 999.25c.

Strong Board and experienced executive management team: Maintained the diversity on our Board and our executive management team and also retained skills.

Sustainable growth strategy: Delivery across all our strategic focus areas. Our performance and outlook of our strategic focus areas can be found on page 30.

Transparent reporting: We maintained transparency in our reporting to provide investors with complete and relevant information to make informed decisions. This is reflected in our achievements and external awards received – refer to page 16 for more information.

Vision 2020 Vision strategy to ensure sustained financial performance and responsible investments to ensure growth and to manage the risks and opportunities in our markets.

The responsible allocation of capital, sound corporate governance practices, transparent executive remuneration and a stable dividend policy.



INVESTING IN OUR EMPLOYEES

WHO ARE OUR EMPLOYEES?

We appreciate and understand the needs of our employees; without them we would not have a sustainable business. Our employees are important to our business.

Our staff complement is as follows:

MALE	FEMALE	BLACK
63.37%	36.63%	79.85%

Employment was created for **3 124 CONTRACTORS** during the year.

The figures above exclude the **434 EMPLOYEES** in Talhado Fishing Enterprises (Pty) Ltd.

WHAT OUR EMPLOYEES EXPECT FROM US:

Our employees expect open and effective communication across all levels. They expect skills training, career development opportunities, performance management, recognition, market-related remuneration and security of employment. Transformation, enabling diversity and inclusivity are important to them. They expect a safe, inspiring and positive working environment with access to employee wellness programmes. In some divisions, our employees expect formal recognition agreements with trade unions.

PRIMARY CONCERNS:

- Competitive market-related remuneration and equal pay
- Clear career paths and opportunities for career development including skills training
- Health and safety
- Secondary and tertiary education programmes
- Transformation and diversity
- Preferred procurement from B-BBEE-accredited companies
- Employee wellness programmes
- Corporate social investment and socio-economic development in communities
- Employee engagement and communication – the importance of open and honest feedback

HOW WE ADDRESS THESE CONCERNS:

The Group has an ethical approach in doing business, including fair treatment and market-related remuneration of employees. The Group has an annual strategic session to discuss organisational direction and input for the business strategy. The Group introduced a new performance evaluation system, with benchmarking and evaluation measures to identify further skills development plans. We remain committed to health and safety standards and procedures and ensuring that working conditions are acceptable. The companies in the Group continued to make a substantial investment in skills development and maintained a good working relationship with trade unions. The Group is committed to transformation and diversity. Social economic development and corporate social investment projects focus on Company-specific areas of support. Bursary programmes are in place to assist with secondary and tertiary education.

BUILDING RELATIONSHIPS WITH OUR STAKEHOLDERS – continued

**INVESTING IN OUR EMPLOYEES (continued)****HOW WE ENGAGED WITH OUR EMPLOYEES:**

We engaged with all levels of employees through a variety of regular and ongoing initiatives for both collective and individual interfaces and we have an open-door policy. Work performance reviews are linked to individual development plans. Senior employees are included in our results presentations. Our employees participate at business unit functions and the Annual Group Awards Ceremony where top achievers in different categories are recognised. Feedback and input from our employees assist us in understanding and responding to their concerns and needs.

Communication channels include:

- Open-door policy
- Newsletters, electronic communication and notice boards
- CEO's communiqué and direct communication between managers, teams and individuals
- Regular internal meetings with trade union representatives
- Operational performance reviews and feedback sessions
- Company website
- Induction programmes
- Performance evaluation, including job grading and job specification requirements
- Training and development
- Union interaction
- Anonymous whistle-blowing hotline

HOW WE DELIVERED VALUE TO OUR EMPLOYEES:

Career development and succession plans continue to be implemented in order for us to achieve our strategic objectives and to ensure that we have the right skills for employees to succeed. This assists us to identify and establish a pipeline of young leaders. Career mobility remains a challenge at certain levels due to low attrition rates. During the year, the Group continued with its resource planning in the business units as this will identify scarce skills and enable headcount planning, career advancement as well as training and development.

Candidates for new vacancy positions are sourced from within the Group prior to being advertised externally and preference is provided for in terms of transformation and gender and race diversity. Continued progress is being made in delivering on our Transformation Plan and strategy, inclusive of persons with disabilities. A decline in the number of misconduct incidents and Commission for Conciliation, Mediation and Arbitration (CCMA) referrals demonstrates an improvement in employee relations. Employee well-being programmes continued throughout the year. Standardised job profiles and performance evaluations were created in some business units to enhance consistency, fairness and assessing and developing employees.

A pension/provident fund is in place to assist employees towards investing for their future retirement. Group risk insurance, which is linked to the provident fund, provides a lump-sum payment in the event of the disability or death of an employee. Funeral cover is provided either through the existing retirement funds, or as part of the collective bargaining council agreements. Share ownership schemes are in place in a number of the subsidiaries and associate companies.



CLIENTS

WHO ARE OUR CLIENTS?

Our clients are our customers, service providers and joint venture partners.

WHAT THEY EXPECT FROM US:

Our customers are increasing their demand for “smart green solutions” as well as innovative business solutions and services; delivery of quality products; long-term security of supply; planned procurement; professional services; technical expertise; the development, manufacture and distribution of innovative sustainable products; timeous payments; leveraging off our B-BBEE credentials; adherence to regulatory requirements; good corporate governance; and ethics.

PRIMARY CONCERNS:

Customers: Quality ethical products, sustainability of our businesses, delivery and standards, cost competitiveness, brands, B-BBEE and transformation, innovative products and solutions.

Service providers: Fair treatment and sustainability, and fair payment terms. Long-term sustainable support for small black-owned supplier companies.

Joint venture partners: Financial performance, transparency, growth and leadership.

HOW WE ADDRESS THESE CONCERNS:

Customers: Meet and exceed customer needs and expectations with broader product ranges and innovative solutions, including technical expertise. Focus on manufacturing excellence, long-term security of supply and cost efficiencies.

Service providers: Timeous and fair payment terms and sustainability. Engaged with suppliers on product innovation. Maintained supportive relationships with small black businesses to ensure their sustainability.

Joint venture partners: The Group is committed to ethical business practices and respects the interests of all our partners.

HOW WE ENGAGED WITH THEM:

In a competitive environment that is fast-changing, we continue to foster relationships and to understand our clients’ needs and expectations. We continuously work towards understanding our clients, customers, service providers and joint venture partners. We take an ethical approach to doing business and are committed to open, clear and transparent business practices. Alignment on standards, requirements, service, objectives and customer satisfaction. B-BBEE scores meet key customers’ requirements and vice versa.

We engage with them through various forums including:

- quality and performance reviews;
- contract negotiations and ongoing interactions in the ordinary course of business;
- customer visits;
- supplier audits;
- industry forums;
- service level agreements; and
- meetings, including site visits, one-on-one engagements, telephonic and electronic interaction.

HOW WE DELIVERED VALUE TO THEM:

We continued to provide professional services, technical expertise, innovative business solutions, quality products and services and timeous delivery and payment. We ensured long-term continuity of supply and adhered to regulatory compliance and laws in the supply of ethical products. We continuously strive for good corporate governance practices and ethical behaviour. Through our procurement from community-based service providers, employment was created. We assisted with enterprise and supplier development. We continuously ensure appropriate environmental and social compliance and, through a phased approach the installation of renewable energy on one of our farms continued, with phase 2 nearing completion.

BUILDING RELATIONSHIPS WITH OUR STAKEHOLDERS – continued



ENGAGING WITH OUR REGULATORS

WHO ARE OUR REGULATORS?

Our primary regulators are the JSE, South African Revenue Service and various governmental departments. We also comply with regulatory bodies outside South Africa.

WHAT OUR REGULATORS EXPECT FROM US:

It is imperative for us to maintain transparent relationships with all our regulators to ensure compliance with all legal and regulatory requirements and adhere to those institutions with standardised practices.

PRIMARY CONCERNS:

- Ongoing compliance with regulatory frameworks and good governance
- Transformation, gender and race diversity
- Environmental responsibility
- Socio-economic development
- Corporate social responsibility

HOW WE ADDRESS THESE CONCERNS:

- Maintain sound governance principles and procedures
- Regular regulatory submissions to ensure compliance with all relevant regulations and authorities
- Policies and procedures in place to ensure compliance
- Representation on industry bodies
- Engagement on specific policy issues
- Sensitivity to employment levels in line with regulatory requirements
- Investment in employee development
- The Group is committed to ethical business practices and supports social and environmental sustainability
- Our corporate social initiatives promote socio-economic development

HOW WE ENGAGED WITH OUR REGULATORS:

We continued to maintain transparent communication, attention to detail, professionalism and prompt reactions to matters raised. We ensured resilient business and management practices and processes. We ensured compliance with all industry requirements and obtained clarity where necessary.

We continue to report on ethics, governance and the impacts on society and our environmental stewardship. We participated in industry meetings and interacted with regulators and industry stakeholders to ensure sound regulatory frameworks.

Overall, the Group maintained transparent relationships with all regulators and complied with all regulatory and legal requirements.

HOW WE DELIVERED VALUE TO OUR REGULATORS:

We ensured that payments to regulatory bodies were made timeously to ensure compliance. We contributed to government revenues through the payment of direct, indirect and employee taxes and will continue to pay all taxes as required.



COMMUNITIES

WHO ARE THE COMMUNITIES WE SERVE?

The communities we serve are members of society and the environment.

WHAT THEY EXPECT FROM US:

We collaborate with them for the greater good regarding matters concerning society and the environment. They expect us to be a responsible corporate citizen and to partner with community initiatives, contribute to socio-economic development and environmental issues and pioneer responsible corporate citizenship. They expect us to create awareness of social and environmental issues they are faced with and to assist them in obtaining the desired outcomes for their communities, their businesses and their families.

KEY ISSUES RAISED:

- Socio-economic development
- Enterprise development
- Development of society through employment opportunities and internships
- Financial access for learnership programmes
- Social welfare
- Environment matters

HOW WE ADDRESS THESE CONCERNS:

- Built a classroom for early childhood development as part of our socio-economic development
- Monthly payment of salaries to an NGO to employ Grade R teachers in one of our communities – this is the foundation for learning
- Created over 200 permanent employment opportunities and 3 124 contract employment opportunities during the year
- Access to funding through defined programmes – bursary and learnership initiatives
- Back-to-school programme – supplied learning material for school needs, thus ensuring students remain in school – more than 750 school children benefited from this initiative in 2018
- Employee volunteerism – we encourage our employees to assist their communities by providing them with the time and resources needed to volunteer
- Employee participation in the Mandela Day Initiative for the underprivileged
- Quarterly programmes where we have financial and hands-on participation from employees
- Ensure that social welfare is aligned with national policies
- Contributing to the growth of small businesses through enterprise development initiatives
- We are currently exploring the opening of an environmental centre

HOW WE DELIVERED VALUE TO THEM:

Support was provided for basic and tertiary education through our back-to-school bursary, tertiary and learnership programmes. We invested in building an early childhood development facility for Grade R learners and assisted them with their basic needs. We ensured that the facility is able to employ certificated early childhood development teachers and paying their monthly salaries. Our investment in education and training as well as development programmes will continue and will enhance further growth prospects. Our partnership with community-based entities resulted in the creation of new jobs and financial and in-kind support for new businesses. Health, welfare and NGOs also received direct support. Paying our taxes and royalties to government also contributed to the welfare of society. Our support of local businesses resulted in the promotion of social and economic development. With the landscape changing in B-BBEE, we will continue to assist communities and businesses. Our socio-economic contribution is in compliance with requirements. We provided investment into research and educational bodies as well as academic partnerships. *(King IV™ – Principle 16)*

BUILDING RELATIONSHIPS WITH OUR STAKEHOLDERS – continued

VALUE-ADDED STATEMENT

A measure of the value created by the Group is the amount of value added by its diverse activities to the cost of raw materials, products and services purchased.

This statement shows the total value created and how it was distributed.

VALUE-ADDED STATEMENT	2018 R'000	2017 R'000	2016 R'000			
Cash value generated from revenue	1 512 467	970 806	859 628			
Less cost of materials and services	(1 134 504)	(652 548)	(648 534)			
Value added	377 963	288 258	211 094			
Investment revenue	64 855	23 903	33 592			
Wealth created	442 818	303 974	244 686			
Distributed as follows:	%	%	%			
Employees	44.069	195 144	58.20	181 666	43.80	107 216
Capital providers	9.764	43 238	8.30	25 804	5.90	14 527
Debt providers	7.050	31 217	9.00	28 267	10.70	26 232
Communities	1.531	6 718	1.00	3 070	1.30	3 109
Government	16.981	75 194	13.10	41 028	8.30	20 192
Retained for growth	20.605	91 241	10.40	32 327	30.00	73 440
Wealth distribution	100	442 818	100	312 161	100	244 686
Employee statistics						
Number of employees at year-end*	889	858	680			
Turnover per employee	1 701	1 134	1 264			
Value added per employee	425	337	310			
Wealth created per employee	498	365	360			

* Excludes employees from the new acquisitions

REMUNERATION COMMITTEE REPORT

“Society as a whole benefits immeasurably from a climate in which all persons, regardless of race or gender, may have the opportunity to earn respect, responsibility, advancement and remuneration based on ability.”

– Sandra Day O’Connor

REMUNERATION REPORT

STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE – MR TAKUDZWA HOVE

I am pleased to provide you with my first summarised remuneration report for the year. During the year under review, I replaced Mr Young as chairman of the remuneration committee and, with the support of the committee members in the areas of human resources and organisational transformation, I am able to discharge my duties as mandated by the Board.

I am pleased to provide you with the summarised remuneration report, which includes the remuneration policy and implementation report as required by the provisions of King IV™ that will be considered and voted upon at the forthcoming AGM of shareholders on behalf of the remuneration committee.

The committee was tasked by the Board to approve and oversee the implementation of the remuneration policy, enabling it to achieve the Group’s strategic objectives, translating into market-related yet affordable performance-linked rewards and to ensure balanced and transparent outcomes that align with shareholder interests over the short and long-term. Ultimately our policy enables the attraction and retention of valuable talent. During the year under review, the remuneration policy was updated and approved by the Board.

In South Africa, good governance, ethics and leadership regarding remuneration are primarily informed by King IV™. This report highlights the key components of our policy and how these aligned to our performance and strategic objectives for the 2018 financial year. The remuneration committee is governed by its Charter that is reviewed annually.

Reporting and disclosures continue to evolve to ensure that stakeholders are able to understand how remuneration decisions are made in order to assess the outcome of these decisions. Shareholder focus remains on ensuring pay for performance and alignment with shareholder goals as well as enhanced disclosure so that shareholders can understand the quantum, rationale and drivers of executive remuneration.

Our approach to remuneration aligns to our ethics, corporate governance philosophy and shared values – respect and trust, people, integrity, accountability, stakeholders, commitment and investment. Remuneration and reward systems remain sensitive matters, especially in the socio-political environment. During the past year, we introduced a few non-material changes to the remuneration policy, strategy and associated practices in alignment with best practices, but we have kept our core remuneration policy and principles consistent. We will continue to review and adapt to changes in market conditions to ensure that our policy and principles remain appropriately aligned with our overall business strategy.

It is fundamental to our core remuneration principles that executive remuneration is aligned to the Group’s performance. Income differentials are an important topic within the Group and the remuneration committee remains committed to monitoring and addressing this critical issue. Executive remuneration and the governance of remuneration continues to remain a feature of the corporate governance landscape while the issue of income differentials and the steps necessary to address these continue to enjoy prominence in the local and international markets.

REMUNERATION COMMITTEE REPORT – continued

The alignment of our executives' remuneration to the long-term strategic goals of the Group to deliver sustainable value to shareholders and build the business remained a key focus during the year. Some decisions and their related impact in setting targets in terms of performance-related remuneration were made for the executives and senior management of the Group. Weightings of performance as well as specific financial targets were reviewed and amended accordingly for the year under review. The committee was satisfied and will continue to monitor remuneration against the appropriate strategic objectives, performance and market benchmarks.

The committee had an independent third party perform a market comparison against our peers in other businesses. The comparison was used to determine where we should remunerate. The committee reviewed the targets set in terms of performance-related remuneration for the CEO, the executive management team and senior management in the Group; these targets include individual performance factors and a combination of portfolio-specific targets. The CEO and executive management team's performances are assessed against a set of predetermined objectives that include, inter alia, strategic leadership, execution of the strategy through business results and stakeholder relations. The Board recognises that the successful delivery of the Group's objectives should constitute both financial and non-financial performance measures, with the key financial measures including profits, cash flow and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group.

The committee remains mindful to ensure overall remuneration was appropriate for the performance of the Group and in relation to its operational peers. In doing so, the committee considered the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to enable delivery of the Group's strategic objectives.

Our ethos is one of appreciation for commitment, diligence, care and attention to detail. We respect and recognise our employees for their contributions made during the year and inspire them to realise their full potential, and we believe in rewarding accordingly. We consistently applied the principle that our remuneration should be fair and competitive and should reflect the performance of the Group and the business units.

During the financial year, the remuneration committee:

- reviewed and determined the remuneration for the executives;
- reviewed the performance targets to ensure that they are both challenging and linked to the Group's strategic objectives;
- took into account the remuneration and employment conditions of all employees, the performance of the Group and the individual, current views and guidelines of shareholders and market conditions;
- continued to keep under review the relationship of risk to remuneration;
- satisfied itself that the remuneration structure for senior executives does not raise environmental, social or governance risks nor does it inadvertently motivate irresponsible behaviour;
- retained absolute discretion to reduce variable compensation in light of risk and the Group's overall performance; and
- received guidance from the following independent advisors:
 - an external advisor
 - PE Corporate Services – executive salary benchmarking and job grading.

The committee conducted a detailed review of the performance of each of the four senior executives for the 2018 financial year, and recommended to the Board that a bonus be paid using the Matrix guidelines based on financial and qualitative performance. The committee agreed to recommend to the Board the approval of a general salary increase based on the current price index of 7% for all employees in the Group.

The information provided in this report has been approved by the Board on the recommendation of the remuneration committee.

For the year under review, the committee is satisfied that it has fulfilled and complied with its obligations and statutory duties as reflected in its charter, in terms of the policy and duties assigned by the Board.



Mr Takudzwa Hove

Chairman of the remuneration committee
(King IV™ – Principles 13 and 14)

ROLE OF THE REMUNERATION COMMITTEE

The remuneration committee's main purpose is to implement the guiding principles in the application of remuneration governance, practices and policies and to ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of the strategic objectives as well as positive outcomes in the short, medium and long-term.

REMUNERATION POLICY

INTRODUCTION

AEEI's remuneration committee is primarily responsible for overseeing the remuneration and incentives of the Group's executive directors and key management, as well as providing strategic guidance.

To assist in the achievement of AEEI's long-term strategic goals, the remuneration committee has a formal remuneration policy in place. Each major subsidiary has its own remuneration committee and a policy specific to its business unit, including the industry in which it operates, taking into account AEEI's long-term strategic goals.

The main aim of the committee is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies and guiding principles of a standardised approach in the application of remuneration practices within all its business units and functions.

The remuneration committee's main purpose is to implement the guiding principles in the application of remuneration governance, practices and policies and to ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of the strategic objectives and positive outcomes in the short, medium and long-term.

OVERVIEW OF THE MAIN PROVISIONS OF THE REMUNERATION POLICY

The remuneration policy is aimed at aligning remuneration practices that will enable the committee to achieve the Group's strategic objectives, translating these into market-related yet affordable performance-linked rewards and ensuring balanced and transparent outcomes that align with shareholder interests over the short and long-term,

and ultimately enable the attraction and retention of valuable talent. Our approach to remuneration aligns to our ethics, corporate governance philosophy, shared values and best practices.

The remuneration policy is designed to achieve the following strategic objectives:

- Support the attainment of AEEI's strategic business objectives and strategies
- Attract, retain and motivate key and talented individuals
- Compete in the market place to be an employer of choice
- Reward individual, team and business performance and encourage superior performance
- Support AEEI's key values
- Promote the achievement of the Group's strategic objectives within its risk appetite
- Promote positive outcomes
- Promote an ethical culture and responsible corporate citizenship

The remuneration policy addresses the Group's remuneration and includes provision for:

- arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation;
- the use of performance measures that support positive outcomes across the economic, social and environmental context in which the Group operates and all the capitals that the Group uses or affects; and
- enable the Company to attract, engage and retain talent to drive performance and to meet the Company's strategic objectives.

EXECUTIVES AND EMPLOYEES

The remuneration of the executives is reviewed annually by the remuneration committee, which seeks to ensure that balance is maintained between the fixed (base salary) and variable (discretionary bonus) elements of remuneration, as well as between the short-term (base salary and discretionary bonus) and the long-term financial performance objectives of the Group.

REMUNERATION COMMITTEE REPORT – continued

Cost-to-company remuneration incorporates the following elements:

BASE SALARY

Base salary is guaranteed annual pay on a cost-to-company basis. It is subject to annual review and adjustments are effective 1 September of each year, coinciding with the commencement of the Group's financial year. Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes.

BENEFITS

Benefits form part of the total cost-to-company and include:

- membership to the pension/provident fund (providing death, disability and dread disease benefits);
- medical aid;
- unemployment insurance fund; and
- funeral cover.

COMPLIANCE

The remuneration policy is reviewed each year to ensure that the remuneration framework remains effective in supporting the achievement of the Company's business objectives and remains in line with best practice. AEEI complied with the remuneration policy, relevant remuneration governance codes and statutes. The recommended practice as stated under Principle 14 of King IV™ has been applied and is explained throughout this report through the outcomes achieved.

During the year, the committee engaged the services of an independent external advisor in support of our endeavours to act independently and provide specialist input.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts but have permanent employment agreements with the Company. The remuneration of executives is determined

on a cost-to-company basis and is subject to an annual review by the remuneration committee. Provident or pension fund and healthcare provision form part of the overall cost-to-company packages. Executive directors are members of the Group's provident fund and are required to retire from the Group as a director of the Board at the age of 65, unless requested by the Board to extend their term. There are no other special benefits for executive directors.

PRESCRIBED OFFICER

Mr Khalid Abdulla is not remunerated for his role as the prescribed officer of the Company.

PERFORMANCE APPRAISALS

Performance appraisals of the executive management team are done by the committee on an annual basis. Line managers and divisional managers also conducted performance appraisals on employees in the Group. The CEO conducted the performance appraisals of the divisional heads in the Group and provided feedback to the committee.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The non-executive directors receive fees for serving on the Board and its committees. The fees for non-executive directors are reviewed annually by AEEI's executive committee, and thereafter referred to the remuneration committee which seeks to ensure that the fees are market-related and presented to the shareholders for approval.

The Board recommends the fees to shareholders for approval at the AGM of the Company. Consideration is given to the relative contribution of each non-executive director and their participation in the activities of the Board and its committees. Changes to the fee structure are effective 1 September, subject to the approval by shareholders at AEEI's AGM held in February of each year. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, same may be reviewed.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS' REMUNERATION

The 2018 remuneration of the executive directors is set out below:

EXECUTIVE	K Abdulla R'000	CR Ah Sing R'000	CF Hendricks R'000	AM Salie* R'000	Total R'000
Salary	3 209	1 210	899	1 687	7 005
Bonus	2 400	245	412	814	3 871
Provident fund	391	171	189	218	970
Expense allowance	60	18	17	28	123
TOTAL	6 060	1 644	1 517	2 748	11 969

* Mr AM Salie was appointed to the Board on 21 February 2018. However, the remuneration amounts reflected above are for the full financial year, being 1 September 2017 to 31 August 2018.

The 2018 remuneration of the non-executive directors is set out below:

NON-EXECUTIVE	VC Mehana R'000	S Young* R'000	JM Gaomab R'000	AB Amod R'000	NA Ramatlhodi** R'000	Total R'000
Directors' fees	425	364	212	212	106	1 319

Mr TT Hove and Ms Z Barends waived their non-executive director fees.

* Mr S Young's remuneration only reflects his time served on the Board, from 1 September 2017 to 21 February 2018.

** Advocate Dr NA Ramatlhodi's remuneration only reflects his time served on the Board, from 7 March to 31 August 2018.

AEEI covers all reasonable travelling and accommodation expenses incurred to attend Board and committee meetings.

Non-executive directors do not have any employment contracts, nor do they receive any benefits associated with permanent employment.

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

In the event that there is less than 75% support for the above-mentioned reports at the AGM, the Board will invite dissenting shareholders to send reasons for such votes in writing. Thereafter, further engagements may be scheduled to appropriately address legitimate and reasonable objections and concerns raised.

IMPLEMENTATION REPORT

This part of the report focuses on the performance outcomes against the targets set for 2018.

SALARY INCREMENT

The committee reviewed the targets set in terms of performance-related remuneration for the CEO, executive management team and senior management in the Group, which includes individual performance factors and a combination of portfolio-specific targets.

For the year ended 31 August 2018, a general salary increase was approved based on the yearly average current price index of 7% for all employees in the Group.

DISCRETIONARY BONUS

For the year ended 31 August 2018, the discretionary bonus was calculated as a percentage of the qualifying executive/senior management/employee's base salary according to seniority and the level of responsibility assumed. Qualifying executives and senior management received a discretionary cash bonus, dependent on them meeting both financial and qualitative strategic performance objectives. Employees received a discretionary cash bonus, dependent on them meeting both their personal and the Company's strategic objectives. Financial, qualitative, personal and Company strategic performance are aimed at ensuring sustainable long-term value creation to the benefit of all stakeholders. The total base salary and bonus paid were considered to be fair to the Company and the executive/senior manager/employee.

REMUNERATION COMMITTEE REPORT – continued

For the year ended 31 August 2018, the CEO and executive management team's performance was assessed against a set of predetermined objectives that include, inter alia, strategic leadership, execution of the strategy through business results and stakeholder relations. The successful delivery of the Group's objectives constitute both financial and non-financial performance measures, with the key financial measures which include profits, cash flow and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group. The committee remains mindful of ensuring that overall remuneration was appropriate for the performance of the Group and in relation to its operational peers. In doing so, the committee considered the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to enable the delivery of the Group's strategic objectives. *(King IV™ – Principle 14)*

SHAREHOLDER VOTING/FEEDBACK

As required by King IV™ and the JSE Listings Requirements, the Company will put a non-binding advisory vote to shareholders regarding the approval of the remuneration policy and the implementation report. The Company seeks the support from its shareholders at the upcoming AGM. If any shareholders are inclined not to support the resolutions, we would ask that the reasons for such decision be communicated to the Company so that consideration can be given to those reasons. Please forward any comments to the company secretary at damien@aeei.co.za.

Should either vote receive 25% or more votes against, the Company will take the following steps:

- Issue a SENS announcement regarding the outcome of the voting results
- Invite shareholders to engage with the Company regarding their dissatisfaction with either of the votes
- Schedule engagements with concerned shareholders to record their concerns and objections
- Assimilate all responses and schedule a remuneration committee meeting to analyse concerns and issues raised with the aim of formulating changes to the policy and implementation required and
- Develop a formal response to shareholders that articulates the concerns raised, the details of where the changes will be made to address concerns raised and provide responses for areas where the Company, despite the shareholder feedback, believes its current policy and/or implementation is adequate

Results of the shareholders' votes at the most recent AGM held on 21 February 2018, as a percentage of the total number of shares voted at the AGM, is indicated below:

Approval of the remuneration policy	100%
Implementation of the remuneration policy	100%
Non-executive directors' fees	100%

SUSTAINABILITY REPORT

“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.”

– Nelson Mandela

The Group continually strives to meet and exceed the benchmarks set by the B-BBEE Codes of Good Practice. In light of this, its initiatives include corporate social investment in different areas and fields. These include skills development, enterprise and supplier development, as well as ensuring that employment equity structures and programmes are in place within the Group.

AEEI is aware of and appreciates the evolution of governance and that the Group’s core purpose, business model, performance, risks, opportunities and sustainable development are inseparable elements of the value-creation process. The Group is aware that the responsibility and accountability, in addition to producing solid financial results, of business leaders include managing the Company’s environmental and social impact, as well as addressing the expectations of stakeholders, including regulators, investors, customers and employees.

MATERIAL AREAS OF SUSTAINABILITY

ENSURING SOUND GOVERNANCE

- Our sustainability governance practices
- Engaging our stakeholders
- Fostering ethical behaviour and good governance

DEVELOPING PEOPLE

- Workplace transformation and diversity
- Success
- Skills development
- Attracting and retaining talent

RESPONSIBLE PRODUCTS AND SERVICES TO OUR CUSTOMERS

- Financing and empowerment infrastructure
- Treating our clients fairly
- Promoting responsible investment

INVESTING IN A PROSPEROUS SOCIETY

- Transformation and empowerment
- Responsible procurement and enterprise
- Corporate social investment

PROMOTING ENVIRONMENTAL RESPONSIBILITY

- Managing our direct environmental impact
- Climate change and energy
- Promoting sustainable water usage
- Materials and waste management

SUSTAINABILITY REPORT – continued

SUSTAINABILITY GOVERNANCE FRAMEWORK

AEEI’s business is built on a strong foundation, including its business model, core values and principles. Our products and services are the tangible outputs of our business activities and our social and ethical responsibilities guide our day-to-day activities. All forms of sustainability are extremely important in our strategy

and operational activities. AEEI’s goal has always been to provide innovative solutions to every subsidiary and client while remaining committed to social responsibility. The full report can be found on www.aeei.co.za.

The ultimate responsibility of sustainability rests with the Board and the Board has tasked the social, ethics and transformation committee to manage and monitor sustainability.

BOARD OF DIRECTORS

The Board of directors is primarily responsible for overseeing sustainability issues through the committees listed below

CHIEF EXECUTIVE OFFICER

The CEO is accountable to the Board of directors for the implementation of the Group’s strategy and the overall management of the Group

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE
<ul style="list-style-type: none"> Responsible for overseeing and reviewing the integrated reporting process Reviews the annual financial statements, interim reports and preliminary results announcement Ensures integration in terms of integrated reporting and the application of our business model Ensures that the combined assurance model is applied Oversees the internal audit function Responsible for risk management, considers the top risks and monitors the progress of mitigating risks. Findings and recommendations are reported on at Board level Responsible for the governance of technology and information Recommends the services of the external auditor 	<ul style="list-style-type: none"> Reviews and approves the remuneration and benefits policy and the reward philosophy and strategy adopted by the Company Ensures that the Group remunerates responsibly, fairly and transparently Reviews and approves the reward philosophy and strategy Determines the remuneration packages of the executive directors and senior managers Recommends to the Board the fees to be paid to non-executive directors for their services 	<ul style="list-style-type: none"> Ensures that the Group is and remains a committed socially responsible corporate citizen Reports on organisational ethics, sustainable development and stakeholder relationships Ensures compliance with statutory duties and encourages leading practice by having the social, ethics and transformation committee progress beyond mere compliance to contribute to value creation Monitors the Group’s social impact, oversees compliance and ensures sound ethical and governance practices Responsible for the oversight of transformation management, ensuring that management has implemented and maintained an effective transformation management process in the Group Assists the Board to lead transformation within the Group and to ensure that there are appropriate policies and procedures in place Ensures compliance with the amended B-BBEE Codes of Good Practice as revised from time to time

DAILY RESPONSIBILITY IS DELEGATED TO DIVISIONAL MANAGEMENT

In addition to the careful stewardship of natural resources, the Group continually works towards sustainable development by eradicating poverty and income inequalities, with the goals being employment, accessing quality and affordable basic services, and fostering a stable and just society.

The Board remains firmly committed to the development of intellectual capital and human capital. In line with this, the performance assessment of senior managers includes an assessment of how they have developed the human capital of the Group, especially the development of historically disadvantaged individuals. The Board has affirmed its practice regarding procurement by its subsidiaries from black economic empowerment companies, enterprise and supplier development as well as socio-economic development.

The Group has policies in place to ensure that the subsidiaries act in an environmentally friendly manner that considers the existence of the communities in which the subsidiaries' operations are located. AEEI and its various business units are not considered to make a particularly heavy demand on the natural environment. However,

businesses in the Group are committed to being industry leaders and adding value to the services they provide by implementing sustainable business practices that minimise the impact that their operations have on the environment. Environmental commitments are an integral part of their day-to-day activities.

AEEI's carbon emissions are low and we have a very low direct impact on the environment, but we are affected by the environment in which we operate and by how climate change affects our business. We commit our businesses to a journey of responsible environmental stewardship. We acknowledge that a stable economy and a sustainable business require a sustainable environment. Our fishing and brands division works closely with the relevant authorities to safeguard various fish species and pays careful attention to the environmental impact of its operations.

The Group's material matters, the stakeholders affected and how we manage them can be found on pages 5 to 11 of the full sustainability report which is available on www.aeei.co.za.

(King IV™ – Principles 3, 4, 10, 11, 13, 14, 15 and 16)

SUSTAINABILITY REPORT – continued

SOCIAL SUSTAINABILITY

For AEEI, social sustainability and corporate citizenship goes beyond legislative compliance. It recognises the rights and responsibilities of businesses within a broader societal context and reinforces AEEI's mission of being a dynamic and innovative Company that creates superior stakeholder value.

The Group is aware of the critical role that a business should play in the upliftment and development of the previously disadvantaged majority. The Group is committed to investing in the upliftment of society and in playing a pivotal role in improving the quality of life among the disadvantaged communities through its corporate citizenship initiatives. We continue to subscribe to a sustainable approach in conducting our business.

AEEI's strategic focus on being an exemplary custodian assists us to manage our impact on the communities around us and actively contribute to their socio-economic development through various initiatives.

Many of the subsidiaries in the Group support their own initiatives in line with the Group's policy and their areas of operation.

It is for this reason that we need to give back to the communities in which we operate by:

- driving the corporate social investment strategy across the Group by investing in social services in our communities and creating value through social investment;
- supporting local business and promoting social and economic development;
- providing employment opportunities and skills development;
- providing training and development through our internship programme;

- investing in the future of our youth by facilitating access to higher education;
- paying our taxes and royalties to government;
- driving the B-BBEE targets in the Group;
- further driving transformation throughout the Group;
- adhering to ethical standards and preventing corruption;
- ensuring effective risk management and compliance;
- promoting social and economic development;
- promoting partnerships with business peers, sector organisations and research bodies;
- having open channels of communications; and
- ensuring that the Group is and is seen to be a responsible corporate citizen.

CORPORATE SOCIAL INVESTMENT (CSI)

The Group invests directly in some of its CSI programmes while others are managed through the Sekunjalo Development Foundation (SDF). The aim is to create a sustained social impact through focused activities. AEEI and the SDF have selected focus areas that have an impact on individual and societal development and play a significant role in nurturing young people who represent the future.

AEEI and the SDF's approach is to:

- encourage employee participation and volunteering in its CSI programmes;
- prioritise CSI across the Group, focusing on set initiatives that support societal challenges; and
- ensure the integration of community needs.

 <p>ARTS AND CULTURE</p>	 <p>EDUCATION</p>	 <p>SPORTS DEVELOPMENT</p>
<ul style="list-style-type: none"> • The Sekunjalo Edujazz Concert • Cape Town International Jazz Festival • Delft Big Band – Youth Music Programme • Steenberg High Jazz Band • African Musicians Trust 	<ul style="list-style-type: none"> • Back to School programme • Learnership programme • Internship programme • Premier Fishing Bursary Trust • Premier Fishing Learnership Programme • Where Rainbows Meet – Training and Development • Rygate Cubs 	<ul style="list-style-type: none"> • Saldanha Bay Rugby Club • Gansbaai and Hawston Primary Schools • Western Province Boys Hockey
 <p>ENTERPRISE DEVELOPMENT</p>	 <p>SOCIAL DEVELOPMENT</p>	 <p>OTHER</p>
<ul style="list-style-type: none"> • Funding for businesses • Anela Agri Enterprise Development • Engeli Enterprise Development 	<ul style="list-style-type: none"> • AEEI/Health System Technologies annual golf day • Women in Praise • Things on Wheels • The Sunflower Fund • The Amy Foundation • Durbanville Children’s Home • Mandela Day Initiative • Women’s Day – women in shelters 	<ul style="list-style-type: none"> • Sekunjalo Development Foundation • Direct support for NGOs and community groupings

AEEI and the SDF continue to move away from ad hoc requests towards focused areas, which are shaped by an increasing need to ensure effective stakeholder relations and the socio-economic needs of the communities in which the Group conducts its business.

For the year ahead, AEEI and the SDF will continue with its CSI programmes in the focused areas below with more emphasis in the areas of social and enterprise development.

SUSTAINABILITY REPORT – continued

RETURN ON CORPORATE SOCIAL INITIATIVES

0.1% SPEND VS PROFIT

	IMPACT	RETURN ON INVESTMENT
 <p>ARTS AND CULTURE</p>	SOCIETY	<ul style="list-style-type: none"> • Shared value with communities and organisations • Education of arts and culture, especially in the music arena • Education and mentorship • Self-sufficient – many of our students have become musicians in their own right and have become self-sufficient, and some are the only breadwinners in their families • Benefits to the communities • Promotion of African Arts and Culture
 <p>EDUCATION</p>	COMMUNITIES	<p>Education is a global equaliser. With education, people and communities around the world can become self-sufficient and prosper. Our investments in education in the communities has resulted in the following:</p> <ul style="list-style-type: none"> • Improved education outcomes • Increased literacy rates • Development of learnership programmes • Development of an internship programme • Increased student engagements and performance • Training • Skills development • Access to early childhood development – live, learn and play • Nurtured growth and entrepreneurship • Provided employment opportunities • Empowered previously disadvantaged women and men to actively participate in building healthy communities
 <p>SPORTS DEVELOPMENT</p>	COMMUNITIES	<ul style="list-style-type: none"> • Promotion of sports development in impoverished communities
 <p>ENTERPRISE DEVELOPMENT</p>	COMMUNITIES	<ul style="list-style-type: none"> • Promotion of an entrepreneurship culture • Ensured stability, growth and profitability of young entrepreneurs • Promotion of supply chain development and business incubation • Promotion of emerging farmers at grassroots level • Promotion of businesses owned, and businesses run by women to become sustainable • Workforce development • Assisted to steer the economy towards a stable environment

	IMPACT	RETURN ON INVESTMENT
 SPECIAL PROJECTS	ENVIRONMENT	<ul style="list-style-type: none"> Created awareness around sustainability, pollution, water, air, electricity and other
 SOCIAL DEVELOPMENT	SOCIETY	<ul style="list-style-type: none"> Ensured a better quality of life Promoted education Improved access to childcare and families Promoted access for women in shelters Supported NGOs to build capacity and improve efficiency of resources to the communities they support Ensured a better quality of life for people with disabilities Provided skills development through our various initiatives Provided internship Social education

CSI/SED EXPENDITURE	2018	2017	2016
Rand value of CSI/SED	R6 657 143	R15 851 542	R14 754 652
Percentage of CSI/SED spend invested in South Africa	100%	100%	100%
Education	R617 000	R562 543	R552 146
Skills development	R1 873 923	R1 235 641	R1 124 530
Health and HIV/Aids	R0	R0	R0
Basic needs/social	R683 774	R641 256	R636 012
Enterprise development	R172 440	R1 587 536	R1 486 513
Arts and culture	R1 100 900	R7 721 354	R7 651 871
Infrastructure development	R711 323	R1 562 445	R1 435 299
Rand value spend on environmental management projects	R58 900	R345 256	R0
Rand value spend on small business development	R540 000	R859 562	R745 624
Discretionary spend	R1 338 205 000	R81 840 184	R240 549 000
Spend as a percentage of net profit after tax	0.1%	2.3%	7.1%

Note: The above excludes AYO and Talhado

RESPONSIBLE INVESTMENTS

113	Footprint
114	FISHING AND BRANDS
114	Premier Fishing and Brands Ltd
117	EVENTS AND TOURISM
117	espAfrika (Pty) Ltd
119	Tripes Travel (Pty) Ltd
121	Magic 828 (Pty) Ltd
124	HEALTH AND BEAUTY
124	AfriNat (Pty) Ltd
127	Orleans Cosmetics (Pty) Ltd
129	BIO-THERAPEUTICS
129	Genius Biotherapeutics
132	ASSOCIATES
132	AYO Technology Solutions Ltd
134	BT Communication Services South Africa (Pty) Ltd
135	STRATEGIC INVESTMENTS
135	Saab Grintek Defence (Pty) Ltd
136	Pioneer Foods Group Ltd
137	Sygnia Ltd

FOOTPRINT

South Africa:

- *Western Cape:* Overberg Region, Gansbaai, Saldanha Bay, Hout Bay, Cape Town, Hex Valley, Citrusdal, Ceres, Riebeeck-Kasteel, Tulbagh, Vredendal, Clanwilliam, Sutherland, Prince Albert to Still Bay from Simon's Town
- *Eastern Cape:* Patensie, Gamtoos, Sundays River Valley, Port Alfred and Humansdorp
- *Limpopo:* Polokwane, Groblersdal, Marble Hall, Hoedspruit, Letsitele, Tzaneen and Alldays
- *Mpumalanga:* Nelspruit, Komatipoort, Hazyview, Malelane and Ogies Stad

- *Northern Cape:* Keimoes, Augrabies, Kakamas, Upington, Vaalharts and Port Nolloth
- *Free State:* Bethlehem and Ficksburg
- *Other:* Gauteng, North West and KwaZulu-Natal

Outside of South Africa:

Asia, Europe, Dubai, Saudi Arabia, Spain, the United Kingdom (UK), the United States of America (USA), Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Ethiopia, Lesotho, Swaziland, Mozambique, Madagascar, Malawi and Mauritius





FISHING AND BRANDS

CONTRIBUTION TO
REVENUE

R491m

PROFIT BEFORE TAX

R93m

PREMIER FISHING AND BRANDS LTD (PREMIER OR PREMIER GROUP)

KEY FACTS

CHIEF EXECUTIVE OFFICER	Mogamat Samir Saban
BOARD OF DIRECTORS	MS Saban, VC Mehana, S Young, K Abdulla, IT Bundo, CF Hendricks, R Isaacs, AB Amod, RP Mosia, CL van der Venter, NA Ramatlhodi and SP Mngconkola
EMPLOYEES	422*
HEAD OFFICE	V&A Waterfront, Cape Town
FOOTPRINT	Western Cape, Overberg Region, Gansbaai, Humansdorp, Saldanha Bay, Hout Bay, the USA, Asia and Europe

* Excludes new acquisitions 434 employees

PROFILE

Premier Fishing and Brands Ltd (Premier or Premier Group) listed on the JSE in March 2017. Premier has been in existence since 1952 and is the largest 100% black-owned and managed fishing company in South Africa. The Premier Group holds medium to long-term fishing rights in south coast rock lobster, west coast rock lobster, small pelagics, hake deep sea trawl, hake longline and squid. It also owns an abalone farm, invests in organic agriculture and processes wild abalone. In addition, Premier owns 50.31% in Talhado Fishing Enterprises (Pty) Ltd (Talhado), the largest squid company in the country,

which is based in Port Elizabeth. The Premier Group also invests in organic agriculture through the Seagro range of products.

Premier aims to:

- implement innovative procedures within the value chain to increase efficiency in line with environmental best practices, thereby reducing its carbon footprint;
- invest in reliable technology which allows it to reduce mortalities of live lobster reserved for the export market, therefore contributing to achieving the best market price;

- develop all its employees by offering training and development and bursary programmes;
- assist small businesses to grow and achieve their full potential; and
- ultimately deliver sustainable returns to all stakeholders.

2018 OPERATIONAL PERFORMANCE

When Premier listed on the main board of the JSE on 2 March 2017, the Premier Group raised capital of R526m by issuing 117 million new shares. The capital raising strengthened Premier's balance sheet with additional cash reserves which are being utilised on major capital projects, being the abalone farm expansion and acquisitions of other fishing companies.

During the year under review, Premier delivered excellent growth in operating earnings. Despite the strengthening of the rand against the US dollar, Premier managed to increase its operating profits by 41% compared to the prior year. This increase was as a result of tighter cost controls in all of its operations as well as improved operational efficiencies through more efficient catch planning and improved pricing across all the Premier Group's divisions.

The abalone division maintained its operating profits for the year under review and significantly augmented its stock holding, which positions it well for the further expansion of the farm going forward. The abalone farm increased its production capacity to 145 tons from 130 tons in the prior year.

* *Note: The seasonal nature of the fishing industry does not tie in with the financial year. For more information on their listing visit www.premierfishing.co.za.*

VISION 2020 VISION - PREMIER'S CONTRIBUTION

Following the strategic planning session held in 2015, it was agreed that Premier's primary objective is to focus and align efforts across the business to deliver on its long-term goals and a five-year strategic plan to the year 2020 was implemented. The strategic plan has clear deliverables, strategic actions for each strategic lever, as well as detailed clear time frames.

Below is the high-level outline of the Vision 2020 Vision strategic goals:

- Expansion of the abalone farm and capital expenditure to improve production and revenue
- Drive an efficient cost base
- Construct/acquire a processing facility
- Acquire a canning facility
- Product diversification to further penetrate foreign markets which includes the procurement of fish species for local and international markets and enhanced marketing capacity
- Continuous growth of outside quota holders
- Increase enterprise development initiatives
- Acquire another fishing business
- Explore new green energy alternatives, with emphasis on the efficient use of water and electricity while exploring green alternatives

2018 ACHIEVEMENTS:

- The acquisition of a 50.31% stake in Talhado Fishing Enterprises (Pty) Ltd
- The construction of Premier's new hatchery at the abalone farm was completed and it is anticipated to produce six million animals per year.
- Premier doubled its spat production on the existing hatchery from an average monthly production of 100 000 animals per month to 200 000 animals per month
- 40 tons of additional holding capacity was installed for the farmed abalone increasing the stock holding by 20 tons from the previous financial year
- Increased factory utilisation through the newly established trading operation
- Implemented a centralised procurement for the entire Group
- Revenue increased to R491m from R411m in 2017
- Profit after tax increased to R95m from R68m in 2017

FISHING AND BRANDS – continued

PROSPECTS AND FUTURE OUTLOOK

The following prospects have been identified:

- Acquisition of additional fishing companies as part of the Vision 2020 Vision strategy
- The procurement of fish species for local and international markets
- The enhancement of the Premier Group’s marketing capacity
- An exploration of other growth opportunities that exist in the market
- Product diversification to further penetrate foreign markets
- Employment for 200 additional employees to be created at the abalone farm
- Further expansion of the abalone farm through a phased approach

- Further increase the abalone spat production once the expansion of the abalone farm is completed
- Increase partnerships with outside quota holders
- Continue to explore innovative fishing and production techniques

Premier is well positioned for growth over the next two years to further unlock shareholder value.

FOOTPRINT

Premier has operations in Western Cape, Overberg Region, Saldanha Bay, Hout Bay, Eastern Cape, Humansdorp, the USA, Asia, and Europe.

PRODUCTS AND BRANDS

Through its various business activities, Premier offers the following products and services: sales, marketing and production of west coast rock lobster, south coast rock lobster, abalone, small pelagics, longline hake, squid and Seagro (organic fertiliser).



Detailed information about Premier’s business model, stakeholders, risks and governance is available on the website at www.aeei.co.za.



EVENTS AND TOURISM

CONTRIBUTION TO
REVENUE

R122m

LOSS BEFORE TAX

(R6m)

ESPAFRIKA (PTY) LTD (ESPAFRIKA)

KEY FACTS

CHIEF EXECUTIVE OFFICER	K Abdulla (acting)
BOARD OF DIRECTORS	VC Mehana, K Abdulla, CF Hendricks, M Domingo and S Ramdenee
EMPLOYEES	17
HEAD OFFICE	Claremont, Cape Town
FOOTPRINT	Western Cape, North West Province and Limpopo

PROFILE

espAfrika is a cutting-edge global competitor in events management. Over the past decade, the Company has staged international music festivals throughout Africa and under their leadership; The Cape Town International Jazz Festival (CTIJF) is positioned as “Africa’s Grandest Gathering” and continues to grow and maintain its rating in the top 10 Jazz Festivals in the world and has been named the Best Festival in Cape Town in the OFLOCAL 2015 poll and in 2016 was voted one of the World’s Best Festivals by FEST 300. The CTIJF contributes more than R0.9bn to the gross domestic product (GDP) of the South African economy and creates over 3 000 jobs.

espAfrika’s highly skilled team of professionals produces and hosts a range of events, from festivals to corporate functions, gala dinners and conferences. This innovative events management Company thrives on challenges and their collective energy produces dynamic results.

espAfrika’s primary strategy is to use indigenous resources and they collaborate with local businesses and the public to ensure that all stakeholders benefit from this collaboration.

espAfrika consistently aspires and inspires new business within the events and entertainment sector throughout Africa. Having diligently established trustworthy relationships in the international music industry, espAfrika ensures a lucrative flow of artists and expertise between Africa, Europe, Asia and the United States.

2018 OPERATIONAL PERFORMANCE

Despite the challenging economic climate, the impact of the “Day Zero” (the dreaded day when most of the water taps will be turned off) water restrictions announcement to visitors to Cape Town and its direct impact on the CTIJF, espAfrika managed to deliver a successful and profitable Jazz Festival and funded all its operations.

EVENTS AND TOURISM – continued

The Company contributes positively to all its stakeholders, and with its projected growth plan it will continue to strengthen its sustainability and returns to all its stakeholders.

VISION 2020 VISION – ESPAFRIKA'S CONTRIBUTION

In line with the Vision 2020 Vision, espAfrika is on track to meet its strategic objectives listed below.

2018 ACHIEVEMENTS:

- Built a sustainable, respected and profitable Company that provides adequate returns to all its stakeholders – *espAfrika has built a successful track record and has been profitable for the past three financial years, and is projected to continue to be profitable and sustainable for the foreseeable future thus achieving its strategic focus area and providing adequate return to all its stakeholders.*
- Maintained a minimum 30% ROI for the Cape Town International Jazz Festival and expanded the footprint of the festival – *During the current financial year maintaining the 30% ROI for the Jazz Festival was not attainable due to the impact of the Day Zero water announcement for Cape Town. This had an adverse effect on visitors to Cape Town and in turn affected the Jazz Festival. Moving forward, espAfrika expects the water crisis to be lifted. Additional events are being planned to expand the Jazz Festival's footprint. The "Royal Escape" was added to the compliment of events offered by espAfrika. The Limpopo International Jazz Festival is a new event scheduled for the latter part of 2019.*

- Third-party events – tendering for events, producing and managing events on behalf of clients and acquiring own venue to further expand the business – *espAfrika continuously tenders for new events and recently won a tender from the City of Cape Town to produce and manage the "Cape Town Festival of Lights" celebration which was attended by over 100 000 people. This is an ongoing process and is continually being assessed.*

PROSPECTS AND FUTURE OUTLOOK

With the establishment of the new annual event in Limpopo, espAfrika will now have three annual company-owned events. This will allow the Company to maximise the use of its existing resources throughout the year and as a result further improve on its profitability and sustainability while creating more employment and a socio-economic impact.

In addition to the company-owned events, espAfrika is working on securing events both in South Africa and the African continent where espAfrika intends to produce and manage events on behalf of clients, and establish the Company as the leader in events production and management in Africa.

Through their existing and new business initiatives, social development programmes and innovative leadership the previously disadvantaged communities will be able to have more access and opportunities to this industry.

FOOTPRINT

espAfrika now operates in the Western Cape, North West Province and Limpopo.

COMPANY BRAND



BRANDS



TRIPOS TRAVEL (PTY) LTD (TRIPOS)

KEY FACTS

GENERAL MANAGER	R Romaney
BOARD OF DIRECTORS	K Abdulla, AM Salie, CF Hendricks and L Burt
EMPLOYEES	9
HEAD OFFICE	Woodstock, Cape Town
FOOTPRINT	South Africa

PROFILE

Tripes has been in existence since 1970 and has two distinct operating divisions: Travel Management Services and Inbound Tours and Events. While they are specialists in corporate travel, they provide a service in both the corporate and leisure markets. In the Tours and Events department, they focus on inbound tours to Southern Africa for groups and independent travellers.

Tripes has long-term contracts with corporate clients and independent (on and off-site) travel consultants.

Tripes aims to:

- deliver a superior service while actively contributing to the development of people in the travel industry;
- invest in leading-edge technology to service clients online and in person;
- develop their employees;
- build strong relationships and leverage its membership in the Sure Group to provide clients with the best prices;
- grow the inbound tourism business; and
- deliver good sustainable returns to their stakeholders.

OPERATIONAL PERFORMANCE

The challenging economic conditions had a negative impact on corporate travel margins, with companies looking to cut costs and creating a very competitive arena

for travel companies. Tripes managed to increase their revenue by increasing the number of clientele, but was unable to improve the margin from corporate travel due to the downward pressure on pricing resulting from the competitive market and the continued growth of online booking tools and the sharing economy. Tripes managed to increase its outbound leisure sales considerably albeit from a low base, but was unable to get traction in the inbound tourism market which declined. Since greater margins were achieved in the leisure and inbound tourism side of the business, the ultimate effect has been a lower profit margin than originally planned. To address this, the Company is investing more resources into the growth of its leisure and inbound tourism departments.

The cash flow management has improved with a complete overhaul of the back-office administration department. The efficiency in debt collection has improved and the Company can meet its day-to-day obligations through better working capital management.

VISION 2020 VISION - TRIPES' CONTRIBUTION

A detailed analysis of the business was done in 2015 with the primary objective to have focused and aligned efforts across the business to deliver on its long-term goals. A five-year strategic plan was implemented with clear deliverable, strategic actions for each strategic lever and clear time frames.

EVENTS AND TOURISM – continued

Below is a high-level outline of their progress of the Vision 2020 Vision strategic goals:

- Tripos continues to grow by:
 - growing its share of the corporate market through concentrated efforts to increase the number of corporate clients, NGOs and government business;
 - concentrating more of its resources for the outbound leisure market to a senior consultant and has employed an additional person, with targets and incentives to grow this part of the business; and
 - investing resources to promote Southern Africa and niche tours to grow its share of the inbound market and remain open to partnering with established businesses in this sector.
- Tripos' relationship with the Sure Group has strengthened in that they continue to provide support in all aspects of their business from client acquisition to supplier contract negotiation.
- Tripos was elected as the official Travel Partner by espAfrika, the owner and producer of the 19th Cape Town International Jazz Festival.
- A key value of Tripos is to put the customer first and this is entrenched in its values, employee coaching and training, incentives and allocation of resources.

PROSPECTS AND FUTURE OUTLOOK

Tripos is planning to grow the corporate part of its business to exploit the increase in tourism revenue and better margins available from this income stream.

The outbound leisure business is growing and Tripos will continue to pursue growth in this market.

Tripos' overall objective is to grow the leisure and inbound tours part of the business more aggressively than the corporate side of the business, thereby changing the sales mix to attain better margins.

The actions in progress to achieve this are listed below:

- Develop, promote and sell inbound packages for Southern Africa
- Evaluate prospects for acquisition in the inbound tourism sector
- Sell niche packages for the Cape Town International Jazz Festival as the official Travel Partner on a long-term basis
- Sell niche packages for The Harley Davidson Tours
- Promote and sell outbound leisure packages
- Work closely with its suppliers to provide the best deals to its customers
- Sell the service to arrange meetings, incentive travel, conferences and corporate events for corporate clients
- Arrange customer service and sales training for all employees
- Improve the systems and efficiency

OPERATIONAL FOOTPRINT

Tripos is located in Woodstock, Cape Town. Its corporate client list is predominantly Cape Town based with a small percentage (less than 5%) based in Gauteng.

Their inbound tours department specialises in providing tours in Southern Africa.

COMPANY BRANDS

BRAND IDENTIFICATION



MAGIC 828 (PTY) LTD (MAGIC828)

KEY FACTS

CHIEF EXECUTIVE OFFICER	Currently managed by directors
BOARD OF DIRECTORS	K Abdulla, CF Hendricks, AB Amod, JC van Niekerk
EMPLOYEES	23
HEAD OFFICE	Mowbray, Cape Town
FOOTPRINT	Western Cape

PROFILE

Magic828 is a Medium Wave (AM/MW) independent commercial music radio station, broadcasting throughout the Western Cape and streaming worldwide. The studios are situated in Golf Park, Mowbray, Cape Town with a transmitter sited at the centre of a geographic triangle with Paarl, Durbanville and Malmesbury as the three corner points.

The station radiates a 25 000 watt (25kw) signal to all areas of the Western Cape, unrestricted by mountainous terrain. The transmitter is five generations up on existing MW transmitters in South Africa. Magic828 also broadcasts in digital/stereo streaming via their website, mobile applications on both iOS and Android platforms, and other radio applications.

Magic828's music format is defined as adult contemporary hits with a touch of rock and a taste of Golden Oldies, broadcasting hits from the 1960s to 2000s. Magic828 believes that their music format has no colour lines as these hits are easily recognised by listeners, constantly entertaining them through more music and less talk, thus invoking memories of past experiences.

Magic828's listenership has grown by 42% to 187 000 listeners in 2018 (research privately done by Freshly Ground Insights) and has over 10 000 unique streaming listeners via its digital platforms.

A detailed analysis of Magic828 was done during the 2018 financial year with the primary objective to focus and align efforts across the business to deliver on its long-term goals. A short-term plan has been put in place in relation to programming, sales and marketing and establishing clear reporting channels to all employees whereby they understand their role and responsibility. A five-year strategic plan to the year 2020 was implemented in 2015 with clear deliverables, strategic actions for each strategic lever as well as clear time frames.

2018 OPERATIONAL PERFORMANCE

Magic828's core focus was and currently is to create awareness to increase listenership, generate high-quality programming to retain existing listeners, ultimately to generate more revenue and create a sustainable business which is profitable.

The radio station is built on an advertising revenue model, split between agencies and direct advertising, which is driven primarily by listenership. This relationship of listenership vs advertising revenue is evident by both increasing by more than 40%. With the base costs now established and stabilised, its focus has moved to implementing an aggressive marketing strategy to create awareness and exploring new opportunities and partnerships to achieve its overall objectives.

EVENTS AND TOURISM – continued

Magic828 understands that listenership figures from the Broadcasting Research Council is predominately used by customers to assess a potential return on investment. However, as this has been a challenge and a new relationship is being established with all stakeholders, including the Broadcasting Research Council allowing the Company to appear on their research as having listenership figures.

A strategy session took place with all employees during the 2018 financial year; members of the Board of Magic828 and the executive team were present. Action items have been identified and all employees have committed to collectively create a plan for each action point, which was summarised and presented to the Board. These plans are currently being actioned and will be monitored regularly in the 2019 financial year.

The Board of Magic828 relies on the executive team to work with management to implement the plans during the next 12 to 18 months.

VISION 2020 VISION – MAGIC828'S CONTRIBUTION

The following prospects have been identified in reaching Magic828's Vision 2020 Vision:

- Further increasing brand awareness and increasing listenership
- Perform at various community events encouraging the underprivileged to participate
- Extending its broadcasting via programming from Magic828 AM on FM community stations
- Protecting its industry to create more employment
- Further advertising opportunities arising due to the exposure of the radio station
- Further growth in listenership
- Continue to look at joint ventures in marketing and advertising
- In conjunction with another entity create an e-Entertainment magazine realising further advertising and income
- Employing more people on an equal employment basis, as well as obtaining the HDP levels of 70% as per the Independent Communications Authority of South Africa (ICASA) licence agreement
- Increase its broadcast area by going digital

PROSPECTS AND FUTURE OUTLOOK

Magic828 has adjusted its business model to ensure that the business structure, processes and objectives are aligned to the requirements of the ICASA radio licence to ensure compliance. Magic828 has embarked on a digital journey, allowing it to become the first Western Cape radio station broadcasting on Digital Audio Broadcasting, resulting in Magic828 becoming a competitor with other FM broadcasting stations. An application has been submitted to ICASA to allow the Company to start digital trials from December 2018 within the limits of trial licences allowed by ICASA.

The main opportunity that exists is the agency business through its sales house, The Media Connection, which has shown significant advertising revenue growth since inception. This advertising revenue from its sales house is to significantly grow compared to previous years with an overall significant commitment received by The Media Connection in line with the Company's 2019 revenue target set out to be achieved. Management adopted a 50|50 business model whereby local direct sales will increase steadily throughout the years leading up to 2020.

The following prospects have been identified in reaching Vision 2020 Vision:

- Increasing its broadcast area
- Further increasing brand awareness and increasing listenership with aggressive marketing
- Explore opportunities to obtain government business with the assistance of its partners
- Construct a road show to visit agencies in three centres, namely Gauteng, Cape Town and KwaZulu-Natal; this has been proven by other stations to be exceedingly successful
- Perform at various community events encouraging the underprivileged to participate
- Extending its broadcasting via programming from Magic828 AM online for digital presence
- Protecting the industry to create more employment
- Further advertising opportunities arising due to the exposure of its station
- Further growth in listenership
- Continue to look at joint ventures in marketing and advertising

- In conjunction with another entity create an e-Entertainment magazine realising further advertising and income
- Employing more people on an equal employment basis, as well as obtaining the HDP levels of 70% as per the ICASA licence agreement

FOOTPRINT

Magic828's footprint includes the Cape Town region and Simon's Town, extending to Vredendal, Clanwilliam, Sutherland, Prince Albert up to and including Still Bay.

COMPANY BRAND

BRAND IDENTIFICATION





HEALTH AND BEAUTY

CONTRIBUTION TO
REVENUE

R47m

PROFIT BEFORE
TAX

R5m

AFRINAT PTY (LTD) (AFRINAT)

(previously known as Wynberg Pharmaceuticals (Pty) Ltd)

KEY FACTS

CHIEF EXECUTIVE OFFICER	Dr A Sidar
BOARD OF DIRECTORS	CR Ah Sing, CF Hendricks, AB Amod and K Abdulla
EMPLOYEES	7
HEAD OFFICE	Victoria & Alfred Waterfront, Cape Town
FOOTPRINT	<p><i>Western Cape:</i> Hex Valley, Citrusdal, Ceres, Riebeek-Kasteel and Tulbagh</p> <p><i>Eastern Cape:</i> Patensie, Gamtoos, Sundays River Valley, Port Alfred and Humansdorp</p> <p><i>Limpopo:</i> Polokwane, Groblersdal, Marble Hall, Hoedspruit, Letsitele, Tzaneen and Alldays</p> <p><i>Mpumalanga:</i> Nelspruit, Komatipoort, Hazyview, Malelane and Ogies Stad</p> <p><i>Northern Cape:</i> Keimoes, Augrabies, Kakamas, Upington and Vaalharts</p> <p><i>Free State:</i> Bethlehem and Ficksburg</p>

PROFILE

AfriNat supplies a range of natural biostimulants and agricultural pre-harvest products as well as a range of cleaning solutions under the brand ViBacSan® to the post-harvest industry and hygiene and sanitation sector. These products are human, animal and plant safe, internationally recognised and certified as such, using British and European Standards (BS, ES), National Regulatory Compulsory Specifications (NRCS) and SABS. Agricultural products are registered with the Department of Agriculture, Forestry and Fisheries (DAFF) and have the NSF International accreditation.

The products are registered and manufactured locally and are being used with success in the agricultural, food, and general health and hygiene sectors. AfriNat acquired the

intellectual property (IP) from a UK-based company called Phyto, and is currently in a joint venture with them providing access to their other products for select markets.

Over the last 18 months the strategic objectives were changed to focus in South Africa and Southern Africa.

2018 OPERATIONAL PERFORMANCE

AfriNat operates in three sectors: pre-harvest, post-harvest, and hygiene and sanitation with different ranges of products. The biggest growth came from the pre-harvest sector due to increased market share from the Eastern Cape and Northern Cape. Pre-harvest exceeded budget, however, with the other two divisions not meeting their budgets the overall performance is marginally below budgeted expectations.

Strategic objectives in post-harvest and hygiene and sanitation have been put in place to address the underperformance and are starting to show results. The biggest challenge is the change in thinking required to use their product ranges as pricing versus application and the effect is different to conventional products. This requires extensive marketing efforts which the Company has not engaged in fully, but has planned it strategically for the new year. This entails food preparation companies and shopping mall property companies to offer a high-efficacy, cost-saving solution.

AfriNat delayed the introduction of food additives and preservatives and rather focused its efforts on the current divisions. However, diversification into the food sector is critical to avoid the risks of the drought and the cyclical nature of the agricultural market. This is largely mitigated by the current research and development projects underway in the food sector. The Company has engaged with manufacturers to establish its market presence and hopes to see the results in the new year.

VISION 2020 VISION – AFRINAT'S CONTRIBUTION

A detailed analysis of the business was done in 2015 and a five-point strategic plan was implemented in 2015 with clear deliverables, strategic actions for each strategic level as well as clear time frames.

2018 ACHIEVEMENTS:

- They moved from research to commercialisation of products into the agricultural sector.
- The introduction and successful registration of additional products to the original 15 products in the ViBacSan® range have been subjected to independent evaluation and trials, establishing the credentials of the product in local markets. New regulatory submissions to the NRCS are currently in progress. A test trial, on two ViBacSan® products was successful at the GLP Laboratory "Micro-Challenge" overseas and AfriNat was granted the ACT 5 Registration Number by the NRCS for these two products.

- The introduction of pre-harvest products to the local market has been extremely successful with farmers. The products, through delivery of a spray programme, have shown benefits of increased health and thus crop yield increases. All DAFF registrations for pre-harvest products have been successfully accomplished.
- The post-harvest products will add to the value chain in the agricultural sector. These are part of the products mentioned in point 2 above and used in the processing following harvest and picking. Packhouses are the primary customer and AfriNat is actively signing agents and distributors in various regions to actively promote the range. This gives packhouses the opportunity to meet international standards on food safety in the export of fruit and vegetables.
- Growth in the hygiene and sanitation sector is being developed through cleaning contractors and large property companies. They offer a natural water-saving alternative to end-users which is in line with international trends. This is in addition to the food preparation business showing steady acceptance. Food ingredients and preservative aspects are still in the research and development phase, having conducted multiple tests in food and fish plants.

PROSPECTS AND FUTURE OUTLOOK

AfriNat has developed a platform for growth which is estimated at 25% per annum based on the uptake of the product offering over the next three years. They have seen an almost 200% growth in the pre-harvest division this year through active marketing efforts and with additional distributors being signed on in different provinces. There are no planned acquisitions in the short to medium-term and organic growth is expected by increasing market share and penetration into both the pre-harvest and post-harvest markets.

The main opportunity that exists is the international focus on a green economy and protecting the environment as AfriNat has acquired the rights to internationally recognised natural products supporting key industries that impact on the health and well-being of the population. These products range from domestic hygiene to food security.

HEALTH AND BEAUTY – continued

The following prospects have been identified in reaching their Vision 2020 Vision:

- Growth of the product portfolio in pre-harvest – the opportunities to capitalise on their empowered status and successfully attract international and local partners to expand their product portfolio
- Discussions with multiple international companies to have trade relations supplying products and, in turn, having exclusivity on their products in South Africa in the pre-harvest sector
- The food and beverage manufacturing and processing sector has been delayed for active entry until the 2018–2019 fiscal year due to the intense focus and demand from the agricultural sector
- Conclude a local manufacturing facility – this initiative will provide jobs locally and require the transfer of new skills to employees
- Diversity of products and market – AfriNat is embarking on a possible public private partnership with local municipalities and provincial governments to establish centres of excellence to provide support to emerging farmers

- Expansion into new sectors with innovative products – a significant opportunity exists to capture a large portion of the infection control and hygiene and sanitation markets in the health delivery system, as well as the food processing and hospitality sectors with their internationally recognised, totally natural range of sanitation and hygiene products
- Retention of business won – in a business environment that is based on a high level of relationship building, the successful retention of business won on this basis is a key measure of AfriNat’s performance
- Expand into new markets outside of South Africa

OPERATIONAL FOOTPRINT

AfriNat’s administrative function which includes management, marketing and finance operates from the V&A Waterfront, Cape Town. Manufacturing is done under agreement with a contract manufacturer in Blackheath, Cape Town. The distribution of products is done under distribution agreements with vendors in the respective sectors and provinces.

PRODUCTS/BRANDS

COMPANY BRAND



PRODUCT BRANDS



ORLEANS COSMETICS (PTY) LTD (ORLEANS COSMETICS)

KEY FACTS

CHIEF EXECUTIVE OFFICER	D Kourie
BOARD OF DIRECTORS	K Abdulla (chairman), AM Salie, CF Hendricks, AB Amod and DN Kourie
EMPLOYEES	78
HEAD OFFICE	Tokai, Cape Town
FOOTPRINT	South Africa, Southern Africa including Namibia, Zimbabwe, Lesotho, Swaziland, Botswana, Mauritius and Madagascar

PROFILE

Orleans Cosmetics (Pty) Ltd was acquired in May 2017 and became a subsidiary of AEEI. It was a business previously known as Orleans Distributors CC and RVB Cosmetics CC, which had been in business in South Africa for the past 22 years.

Orleans Cosmetics imports and distributes four cosmetic brands from Europe on an exclusive basis in South Africa and neighbouring territories, through retailers and beauty salons.

Orleans Cosmetics is the exclusive Southern Africa distributor of the following imported cosmetic brands, each one with a long international history:

- Gatineau – founded in France in 1932
- NUXE – founded in France in 1990
- RVB Skinlab/Diego Dalla Palma Professional – founded in Italy in 1961
- Sothys – founded in France in 1946

Gatineau and NUXE are sold in retailing groups such as Truworths, Woolworths and Edgars, while Gatineau is sold in Dis-Chem. Both brands are also sold in beauty salons.

RVB Skinlab/Diego Dalla Palma Professional and Sothys are exclusively found in beauty salons and spas across South Africa.

The Company's present focus is on skincare with an emphasis on anti-ageing. The business has a make-up range in RVB/Diego Dalla Palma.

2018 OPERATIONAL PERFORMANCE

The acquisition of Orleans Cosmetics in the prior year, combined with the existing business has led to revenue increasing by 258% from R9.7m to R34.5m, mainly as a result of the financial results being including for twelve months compared to only four months in the prior year.

VISION 2020 VISION - ORLEANS COSMETICS CONTRIBUTION

Orleans Cosmetics vision is to be a leading player in the prestige and masstige cosmetics industry in both the retail industry and in beauty salons. It intends to acquire fragrance lines and additional make-up brands to complement its current skincare ranges.

2018 ACHIEVEMENTS:

- Focused on strengthening the brand's presence in the marketplace
- Explored the possibility of obtaining additional agencies in fragrance
- Explored the possibility of obtaining additional make-up brands

PROSPECTS AND FUTURE OUTLOOK

The chief executive officer of Orleans Cosmetics has a vast amount of experience in this industry having worked with major brands for many years. As a result, he understands the industry very well and is well placed to drive the future growth of the business.

HEALTH AND BEAUTY – continued

The key drivers in the business are the following:

- Superb customer service at point of sale through their dedicated, highly trained beauty consultants and the extremely well-qualified beauty therapists employed by the salons
- Training of store consultants and beauty salon therapists
- Close strategic relationships with key retailers
- Excellent management at head office and in the field, being the area managers
- Public relations and marketing

OUTLOOK FOR 2019

- Continue to focus on strengthening the brands' presence in the marketplace
- Launch exclusive agencies in fragrance – an experienced fragrance brand manager has been appointed with effect from 1 October 2018
- Launch make-up which is subject to retailer's approval

Orleans Cosmetics intends to double the size of its business within the next four to five years. Growth will occur through a balance of organic growth and acquisitions.

The business was previously owned and managed by the Neilson family for 21 years. The intention is to retain the entrepreneurial spirit which already exists and to blend this with the business expertise which AEEI can provide. The Company has built a solid reputation over the years as being professional, well managed and responsive to the needs of its end customers and to the retailers and beauty salons.

As a subsidiary of AEEI, Orleans Cosmetics is very well positioned to be the partner of choice for both local companies and to represent overseas brands due to AEEI's B-BBEE credentials.

Industry statistics indicate that the luxury and masstige segments of the cosmetics market are in excess of R6bn per annum at retail prices and there is enormous potential growth for Orleans Cosmetics.

OPERATIONAL FOOTPRINT

Orleans Cosmetics has the exclusive distribution rights from the four overseas-based principals for South Africa and Namibia, and in certain cases it also has the rights to Mauritius, Madagascar, Zimbabwe, Mozambique, and Swaziland.

COMPANY BRAND



PRODUCTS/BRANDS

Orleans Cosmetics is the exclusive South Africa and Southern Africa distributor of Gatineau, NUXE, RVB Skinlab/Diego Dalla Palma Professional and Sothys brands.





BIOTHERAPEUTICS

GENIUS BIOTHERAPEUTICS (GENIUS)

(Bioclones (Pty) Ltd)

KEY FACTS

CHIEF EXECUTIVE OFFICER	Dr A Sidar
BOARD OF DIRECTORS	K Abdulla, I Amod, CR Ah Sing, CF Hendricks, R Lachman and A Sidar
EMPLOYEES	8
HEAD OFFICE	V&A Waterfront, Cape Town
FOOTPRINT	Cape Town and Centurion, Pretoria

PROFILE

Genius Biotherapeutics (Genius) focuses particularly on healthcare applications and more specifically on the production of biopharmaceutical products (those that are derived from living genetically modified cells and are of a protein or carbohydrate nature).

Biopharmaceutical products include therapeutics such as hormones, protein-based drugs and antibodies. Of critical importance in the healthcare industry is the movement away from traditional chemical-based pharmaceuticals to biotechnology derived medicines due to the extremely inefficient success rates within the traditional pharmaceutical industry. The biopharmaceutical products are commonly thought of as the therapeutic products of the future.

The biotechnology industry is vast and covers a range of sectors in addition to the medical and healthcare applications, including genetically modified crops and foodstuffs, alcoholic beverage manufacture, mining, industrial waste treatment and water treatment. The market size for biotechnology applications is substantial.

2018 OPERATIONAL PERFORMANCE

There are multiple divisions engaged in product development phases at different stages:

- Regulatory preparation and process validation phase for the production of erythropoietin (Repotin), a biosimilar drug used to treat anaemia caused by kidney disease
- Developmental work on the dendritic cell vaccine (DCV) for cancer immunotherapy and communicable diseases such as extreme drug-resistant tuberculosis
- Further developmental activities at the Ribotech facility for a second biosimilar drug called Recogen, a granulocyte-colony stimulating factor (G-CSF) used for the treatment of neutropenia which is a condition of low white blood cell count in patients undergoing chemotherapy
- Production of protein-based reagents used mainly in research laboratories and industrial applications

BIOTHERAPEUTICS – continued

VISION 2020 VISION – GENIUS' CONTRIBUTION

Genius' outlook for its business units and its value proposition are based on a long-term vision and value add that is linked to defined milestones.

Unlike other typical investments in other sectors, biopharmaceutical companies work towards achieving milestones in their developmental stage, hence a five-year strategic plan to the year 2020 was implemented with clear deliverables and strategic actions for each strategic lever as well as clear time frames.

The cell culture division based in Pretoria is currently manufacturing erythropoietin and is undergoing regulatory preparation with mock runs while the DCV project is preparing for the first phase of human clinical trials in breast cancer patients. Ribotech is immersed in research and development for the production of a second biotech drug for humans.

PROSPECTS AND FUTURE OUTLOOK

The following prospects have been identified:

SHORT-TERM PROSPECTS:

- Genius is finalising negotiations with an international partner to add four additional products to its portfolio of biosimilars
- This partnership entails a technology transfer to facilitate more efficient production of all products and final formulation which negates the need for cold chain
- Development support from government to develop skills in this sector and increase employment in order to provide a lower cost of health
- All approvals have been met for phase 1 human clinical trial in breast cancer patients and trial work is scheduled for 2019
- Pre-clinical work on other diseases has begun, such as incurable tuberculosis and lung cancer with three additional cancers to follow in 2019

MEDIUM TO LONG-TERM PROSPECTS:

- The international partnership will allow for scalable local production to supply Africa as well as Europe and is planned for post 2020
- Two South African multinational pharmaceutical companies show support to market and distribute the Company's biosimilar products
- Following the successful results of phase I, further funding for the genomics component which will further strengthen the health platform offering
- Based on the phase 1 trial results, accelerate the listing of Genius to obtain the necessary capital to complete phase 2 and 3 trials

FOOTPRINT

Genius has two Good Manufacturing Practice (GMP) built production facilities, a cell culture division laboratory in Pretoria involved with erythropoietin production and a second facility, Ribotech located in the Western Cape.

The sales and marketing function will be outsourced to two South African pharmaceutical companies that have a footprint in South Africa and in countries in the SADC region. Based on the growth plan, Genius intends to expand its footprint to central and north African countries that are aligned to its plans to improve its production output.

COMPANY BRAND



PRODUCTS/BRANDS

**Products and research and development projects**

The Bioclones product and project portfolio can be divided into three key segments:

- Biosimilars which are biologically derived products having the same therapeutic effect as its competitor. It is similar to a generic, however, only the active protein effect compound is similar.
- New technologies are those which will deliver healthcare solutions through products and innovations.
- Genomics research which is the study of genetics and extracting information related to the functioning and optimisation of the human body while identifying markers for predispositions to diseases.



ASSOCIATES

**AYO
PROFIT FROM DISCONTINUED
OPERATIONS**

R160m

**BT
PROFIT BEFORE TAX**

R58m

AYO TECHNOLOGY SOLUTIONS LTD (AYO)



KEY FACTS

AEEI's subsidiary, AYO Technology Solutions Ltd (AYO), was successfully listed on the main board of the JSE on 21 December 2017 as a leading B-BBEE information and communication technology (ICT) company in South Africa, with strong management expertise and a sound track record. The AEEI Group now holds 49.36% equity in comparison to 80.03% prior to AYO being listed. During the interim period under review, the AEEI Group relinquished control of AYO, resulting in the division becoming an associate in August 2018 without Board control. This investment has been accounted for as an associate as at the period ended 24 August 2018.

The current improving market conditions and the regulations pertaining to B-BBEE have set AYO in good stead to capture the growing ICT spend across the South African market. The ICT associate is currently servicing customers in southern and northern Africa, Europe and Mauritius. Its strategic alliance with BT Communications Services South Africa (Pty) Ltd (BT) provides it with access to global technology trends as well as access to the global market.

As a niche market enterprise, AYO provides effective ICT business solutions and services that enhance business performance to both government and corporate customers. AYO comprises businesses that are leaders in their respective niche markets, have solid client bases and high levels of sustained organic growth.

As a B-BBEE ICT Company, AYO offer numerous end-to-end solutions to a host of industries. AYO was established in 1996 and has evolved over time through continually adapting to the local and international ICT landscape. The process of adaptation was enabled by acquiring new businesses, partnerships and sourcing innovative technology within its existing portfolio.

AYO, through its divisions, subsidiaries and partners, provides business solutions to both the public and private sectors within South Africa and abroad, with its private sector client base comprising mostly blue-chip multinationals. AYO maintains strong relationships and holds key value-added reseller and/or supplier agreements with principles such as Nokia Siemens Networks South Africa (Pty) Ltd, InterSystems Corporation, Cisco Systems, Microsoft Corporation, IBM and Riverbed Technology Inc., which provides AYO with continuous access to the latest technology.

AYO has a strategic relationship with BT. Solutions include optimised and integrated healthcare ICT solutions; network services; collaboration services, including Immersive Telepresence, Managed local area network (LAN) and information processes and technology (IPT) Services, System Integration, Enterprise Security Management, Converged Infrastructure, Enterprise Storage Management, Efficiency and Waste Management, Audio Technology Provider and Unified Communications; mobile solutions; strategic digital services; and asset tracking.

Companies in the AYO Group offer the following wide range of solutions:

- **Health System Technologies** – ICT solutions to the healthcare industry, such as hospitals; primary healthcare, laboratory and pharmacy information systems; electronic health records; continuity of care records and telemedicine, backed by the necessary professional services, such as consulting, system architecture design, system integration, business intelligence and development of bespoke software solutions.
- **Software Tech Holdings** – offers an integrated range of services, including software engineering, business intelligence, professional services, usability and design.
- **Afrozaar** – a software consulting and product development business focused on the development of innovative software products in the mobile, digital and cloud environments. Afrozaar is fast becoming a leader in digital transformation of traditional media and brand groups around how they value their digital processes, assets and respective audiences.
- **Digital Matter** – an IT specialist focusing on mobile application development including mobile inspection management, fixed asset management, and solutions for clients in mobile field services, technician management, franchise evolution, mobile banking and plant commissioning.
- **Puleng Technologies** – provides their customers with a client-centric security strategy that manages the two most valuable assets in an organisation, being its data and users, while facilitating IT and business with a platform to build an efficient, collaborative governance, risk, and compliance (GRC) programme. It also provides service-orientated infrastructure architectures that focus on the simplification, automation and operational efficiencies within and beyond the data centre.

- **Kalula Communications (trading as Headset Solutions)** – imports and distributes notable brands within the telecommunications and consumer electronic markets. Headset Solutions is the distributor for all Plantronics and Konftel products in Southern Africa. Plantronics designs headsets for a wide range of devices, including phones, laptops, handhelds, entertainment and music devices. Konftel is a worldwide leader in the manufacture of audio conferencing equipment and the inventor of audio conference technology.

The AYO Group of companies has international partnerships with leading technology suppliers.

The AYO Group is very successful at retaining its client base in the long-term and its established foundation has set the platform for future business growth. These strategies have paid dividends and are a cost-effective way of providing a short to medium-term source of income and growth and remain an integral part of their core strategy to develop new opportunities.

Acquiring and developing their own intellectual property is a key strategic focus area and will ensure better margins with resulting profitability. Increasing revenue is generated through the launch of AYO's own products and services into local and international markets. By extending their footprint into other parts of Africa and replicating their successes, AYO will ensure the sustainability of its businesses. As a medium-term opportunity, implementation services can be provided to first-world countries such as Australia and the United Kingdom. Opportunities are actively pursued to increase their market reach through partnerships and are culturally aligned with complementary businesses.

Further information on this associate investment can be found on www.ayotsl.com.

ASSOCIATES – continued

BT COMMUNICATIONS SERVICES SOUTH AFRICA (PTY) LTD



The AEEI Group also holds a 30% equity interest in BT Communications Services South Africa (Pty) Ltd (BT). This investment is accounted for as an associate.

BT has been present in South Africa for more than 18 years and is continuing to expand its operations in sub-Saharan Africa. BT entered into an agreement with AEEI, under which AEEI holds a 30% equity interest in BT's South African business. This partnership is a demonstration of BT's long-term commitment to South Africa and the B-BBEE agenda.

BT provides networked information technology services to clients in South Africa. BT operates as a subsidiary of BT Group plc.

MARKET/SERVICES

BT is focused on serving the increasing requirements of both South Africa-based multinationals expanding globally as well as global companies that are expanding their presence into South Africa and the rest of Africa. BT has experience across all industry sectors, and has unrivalled expertise in the financial services, mining, oil and gas, government, healthcare, media and broadcast, and transport and logistics sectors.

Customers include more than 300 blue chip clients in South Africa, including Anglo American PLC, Barclays Bank Africa and Visa Inc.

BT has extended its next-generation global IP network into South Africa to three global points of presence within South Africa. BT's Global Media Network is also being extended to South Africa with the deployment of the media and broadcast node in Johannesburg, enabling the delivery of high-quality, real-time video content between South Africa and popular media hubs worldwide.

BT has also extended its global managed voice network into South Africa, providing carrier-grade global voice services including global termination services for outbound voice requirements both mobile and fixed line originated, global inbound voice services for South African call centre operations, as well as extending BT's conferencing services into the region.

On top of these network services delivered by the BT 21st Century Network platform globally, BT also delivers unified communications and collaboration services, including Immersive TelePresence, Managed LAN and IPT services as well as the security and consulting services that form an essential part of these offerings.

BT's investment in technology is mirrored in its commitment to corporate social responsibility. In 2007, BT announced its development partnership with UNICEF, committing R20m to enhance the quality of education for children from some of South Africa's poorest socio-economic backgrounds.

BT's business strategy for sub-Saharan Africa is two-fold: provide best-of-breed managed network services for multinational companies operating in Africa. They provide expertise to the national operators to improve their retail and domestic market offerings to their respective citizens.

Further information on this strategic investment can be found on www.bt.com/globalservices.

BT is one of the world's leading communications services companies. They serve the needs of customers in the UK and in 180 countries worldwide. Their main activities are the provision of fixed-line services, broadband, mobile and TV products and services as well as networked IT services. Further information can be found on www.globalservices.bt.com/uk/en/aboutus.



STRATEGIC INVESTMENTS

SAAB GRINTEK DEFENCE (PTY) LTD



Saab Grintek Defence (Pty) Ltd (Saab) has reinforced its position as a leading South African defence and security company, bringing capabilities including electronic warfare systems, sensor technology, command and control, training systems, avionics, security and support solutions to the African and international markets.

With new and improved technological systems and solutions, Saab increases a country's defence capabilities and provides innovative, effective products and services for those tasked to maintain security. Saab also works with various stakeholders in gathering data and providing insight into how security threats evolve, and what the best market-customised solutions are.

Saab is able to work with customers to create solutions that meet their needs and budgets and many of their solutions can be retrofitted to existing infrastructure, further enhancing their versatility and cost efficiency.

As the exporting of products represents almost 75% of the South African company's total turnover, Saab was awarded the Best Exporter Award by the SA Premier Business Awards in 2013 and 2014. Hosted by the Department of Trade and Industry in partnership with Proudly South Africa and Brand South Africa, the award recognises the spirit of success, innovation and good business ethics in the economy.

Important markets beyond the country's borders is where Saab intends to maintain and expand its successes including India, Asia Pacific and Europe. On the continent, markets of focus include Namibia, Botswana, Kenya, Ghana and Nigeria, while the Company's solutions and services are at home in many nations beyond these.

Saab offers practical services to a wide range of sectors, including conservation, mining, health support services, peace-keeping, air traffic control, weather forecasting and other sectors that require sophisticated military-grade technology to deliver the best solutions for civilian safety and protection. Saab's local aeronautics business focuses on the marketing and sales of all aeronautics products and services, programme components and support for its Gripen Fighter System, supplied to the South African Air Force.

With more than 800 employees across two campuses in Pretoria and Cape Town, the Company represents the second largest of Saab's workforces worldwide out of the 70 countries in which it operates, with the local team researching, developing, producing, exporting, maintaining and upgrading world-standard technologies.

Further information on this strategic investment can be found on www.saab.com/region/saabafrika.

STRATEGIC INVESTMENTS – continued

PIONEER FOODS GROUP LTD



Pioneer Foods Group Ltd (Pioneer Foods) is one of the largest South African producers and distributors of a range of branded food and beverage products. The Pioneer Group operates mainly across South Africa, providing wholesale, retail and informal trade customers with products of a consistently high standard.

Pioneer Foods exports to more than 60 countries across the globe. The growing international business represents 21% of operating profit.

Pioneer Foods was established in 1997 and listed on the JSE in 2008. It has three main divisions:

ESSENTIAL FOODS	GROCERIES	INTERNATIONAL
Essential Foods manufactures wheat and maize products and pasta; it packs rice, beans and other dried vegetables and has large bakery operations.	Groceries produces breakfast cereals, rusks, cake mixes, baking aids, dried fruit products, nuts, sweet and savoury spreads, processed salads, long-life fruit juices, fruit concentrate mixtures and dairy fruit blends.	International is primarily structured around an export business model which is managed across two channels, namely Africa and Rest of the World. This division also incorporates the Group's fruit operations and the wholly owned Bokomo Foods UK business.

The equity-accounted, joint venture investments based in South Africa, Nigeria, Botswana and Namibia include:

- Heinz Foods SA (49.9%)
- Bowman Ingredients South Africa (50%)
- Bokomo Namibia (50%)
- Bokomo Botswana (50%)
- Food Concepts Pioneer Ltd, Nigeria (50.1%)
- Alpen Food Company SA (50%)
- Amigear Ventures Botswana (49%)

Further information on this strategic investment can be found on www.pioneerfoods.co.za.

SYGNIA LTD



Sygnia Ltd (Sygnia) is an innovative FinTech company based in South Africa and was listed on the main board of the JSE in October 2015. Sygnia provides asset management, stockbroking and administration services, as well as a wide range of savings products, to institutional and retail clients. All that Sygnia does is supported by leading-edge technology platforms.

Sygnia manages and administers assets on behalf of more than 600 domestic and international institutional clients, and more than 6 000 individual clients. The integrity of these relationships is at the core of its business. Sygnia's principal geographic focus is South Africa, where it has been operating in its current form since November 2006.

Sygnia's main services include asset management, transaction management, investment administration, liability administration, stockbroking and digital financial advice.

The primary institutional clients span both the private and public sectors and include retirement funds, umbrella funds, life insurers, third-party multi-managers, endowments and other special purpose funds. The primary retail clients include individual members and beneficiaries of retirement funds, as well as the wider individual savings market.

SYGNIA AT A GLANCE

- R181bn in assets under management and administration
- R14bn in unit trusts since launch in 2012
- Over 600 institutional clients (domestic and international)
- Over 6 000 individual clients
- Offices in Cape Town, Johannesburg and Durban
- Over 200 employees
- Market disruptor business strategy
- Focus on innovation through technology
- Most cost-effective savings products in South Africa, with fees starting at 0.35% (excluding VAT) per annum (global balanced funds range)

Further information on this strategic investment can be found on www.sygnia.co.za.

CONDENSED FINANCIAL STATEMENTS

INDEX

The reports and statements set out below comprise the financial statements presented to the shareholders:

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LEVEL OF ASSURANCE

These condensed annual financial statements have been audited in compliance with the applicable requirements of the Companies Act (No. 71 of 2008) as amended.

PREPARER

Wakeel Mclachlan CA(SA)

Group financial manager

26 November 2018

GROUP PERFORMANCE

Commentary on financial results

Due to the deemed disposal of the technology division, the Group has reallocated the net revenues and expenses of the technology division to profit from discontinued operations in both the 2017 and 2018 financial years in terms of IFRS 5 – Non-current assets held for sale and discontinued operations. This resulted in a restatement of the 2017 Statement of Profit or Loss and other comprehensive figures.

Financial highlights

- Restated revenue increased by 21% from R577m to R701m.
- Restated profit before tax increased by 852% from R631m to R6.01bn.
- Earnings per share increased by 946% from 97.10 cents to 1 016.01 cents.
- Normalised headline earnings per share increased by 142% from 10.38 cents to 25.09 cents.
- Total assets increased by 164% from R2.8bn to R7.4bn.
- Net asset value increased by (excluding minorities) 277% from R1.3bn to R4.9bn.
- Net asset value per share increased by 284% from 260.00 cents to 999.25 cents.
- Cash generated from operations increased by 138% from R73m to R174m.
- Net cash from operating activities increased by 64% from R80m to R131m.

Group performance

AEEI is a proud Level 1 Contributor in terms of the Department of Industry's Code of Good Practice on Broad-Based Black Economic Empowerment Amendment Act 2003, (Act No. 53 of 2003), with the Amended Generic Scorecard being applied, with black ownership at 73.72% and black female ownership of 38.29%.

During the year, the Group delivered excellent profit growth resulting from strong contributions from all its underlying investments for the year under review.

The Group's restated revenue increased by 21% from R577m to R701m, mainly due to significant revenue growth achieved from the fishing and brands division which is in line with our acquisitive growth strategy.

Group earnings grew by 946% from R477m to R4 992m. The earnings increased mainly as a result of a once-off gain from a deemed disposal of a subsidiary. More details are reflected in the section below.

Earnings per share (EPS) increased by 946% from 97.10 cents to 1 016.01 cents for the year under review as a result of a once-off gain on deemed disposal of a subsidiary during the financial year. Headline earnings per share (HEPS) decreased from 94.89 cents to 24.24 cents as a result of the prior year including a once-off fair value adjustment prior to BT Communication Services South Africa (Pty) Ltd (BT) becoming an associate.

The Group's normalised HEPS increased by 142% from 10.38 cents to 25.09 cents. Normalised earnings are defined as earnings from continuing operations excluding non-recurring items and once-off fair value adjustments.

Profit before tax for the year under review increased by 852% from R631m to R6.01bn mainly as a result of the gain on the deemed disposal of a subsidiary during the financial year and good performance of the food and fishing division.

The Group's total asset base increased by 164% from R2.8bn to R7.4bn mainly due to the growth in property, plant and equipment and the increased fair value investment in associates compared to the comparative year, as a result of the deemed disposal of a subsidiary in our technology division.

Net asset value (NAV) of the Group increased by 277% from R1.3bn to R4.9bn as a result of the financial performance and the greater fair value in the underlying investments.

As a result of the interest income earned in the Group, net cash flows from operating activities increased by 64% from R80m to R131m in the current year.

Fishing and brands

The fishing and brands division, Premier Fishing and Brands Ltd ("Premier" or the "Premier Group") operates a vertically integrated fishing business which specialises in the harvesting, processing and marketing of fish and fish-related products. The Premier Group holds medium to long-term fishing rights in squid, lobster, small pelagics, hake deep-sea trawl, hake longline, horse mackerel, swordfish and tuna. The Premier Group also owns an abalone farm and invests in organic fertilisers through the "Seagro" range of products.

The fishing and brands division performed well with revenue increasing by 20% from R411m to R491m for the year, which includes the acquisition of Talhado Fishing Enterprises (Pty) Ltd (Talhado) and only three months of their financial performance is consolidated into the Group results.

The abalone division continued to focus on increasing its spat production and stock holding in preparation for the farm's expansion. An additional 40 tons animal rearing capacity has been added to date. The construction for the expansion of the abalone farm is on track and is in line with the expansion plans. This division produced results in line with management's expectations and continues to focus on their expansion plans, with increased performance expected to be achieved during the 2019/2020 financial year when the expansion of the abalone farm is completed. The well-known brand is in great demand from customers abroad, and since Premier's philosophy is based on pleasing its clients, the request for larger sized abalone can now be accommodated with the new hatchery.

Technology

The information and communications technology (ICT) associate, AYO Technology Solutions Ltd (AYO) listed on the Johannesburg Stock Exchange (JSE) on 21 December 2017 as a leading Broad-based Black Economic Empowerment (B-BBEE) ICT company with strong management expertise and a sound track record. The current improving market conditions and regulation pertaining to B-BBEE have placed them favourably to capture the growing ICT spend across the South African market. The ICT associate is currently servicing customers in Southern and Northern Africa, Europe and Mauritius. AYO's strategic alliance with BT provides it with access to global technology trends as well as the global market.

Since its listing, AYO has shown excellent operational performance in delivering on its organic strategy as presented in its pre-listing statement, issued on 13 December 2017.

In the short time frame since listing, AYO concluded a significant contract with a multinational client, which has generated significant revenue in the last quarter of the financial year.

AYO achieved significant growth in revenue of 33% from R478m to R638m, mainly as a result of obtaining new customer contracts in the financial services sector, which leverages the strategy to gain market share through its enhanced B-BBEE credentials.

During the financial year, the AEEI Group relinquished control of AYO, resulting in the division becoming an associate in August 2018. AYO was reclassified as a discontinued operation in the Group's condensed financial results. Refer to significant events below.

Health and beauty

The companies in the health and beauty division focus on the importation and distribution of cosmetic brands as well as the manufacturing, sales and marketing of an extensive range of natural products that are human, animal and plant safe and internationally recognised in the food, agriculture, hygiene, beauty and general health sectors.

AfriNat (Pty) Ltd, previously known as Wynberg Pharmaceuticals (Pty) Ltd, was rebranded during the year. As a result of marketing the brand and improved volume movements, particularly in its pre-harvest line of products, revenue increased by 138% from R5.2m to R12.4m and operating profit increased from a loss of R1.1m to a profit of R2.7m.

The acquisition of Orleans Cosmetics (Pty) Ltd (Orleans Cosmetics) in the prior year, accounted for the first full year led to revenue increasing by 258% from R9.7m to R34.5m, mainly as a result of the financial results being included for twelve months compared to only four months in the prior year. Operating profit excluding the prior year gain on bargain purchase increased from a loss of R0.65m to a profit of R1.9m.

Biotechnology

Genius Biotherapeutics (Genius) progressed with its research and development activities as it completed the construction of a clean room facility.

The dendritic cell vaccine project obtained final approval from the Medicines Control Council to commence with phase 1 clinical trials on breast cancer, and on completion of an accredited clean room facility, the human clinical trials can commence in the 2019 year.

During the financial year, intangible assets namely the biosimilar drug under development, novel compound, licences and technologies as well as goodwill have been impaired by R140m due to the carrying amount of these assets exceeding their recoverable amount. The main reasons when we assessed the impairment of these intangible assets was due to milestones not being achieved. Funding is currently being sourced in order to evaluate the feasibility of these projects.

Events and tourism

The events and tourism division manages and owns an events planning and production company, espAfrika (Pty) Ltd (espAfrika), a travel services company, Tripos Travel (Pty) Ltd (Tripos Travel) and a radio station, Magic 828 (Pty) Ltd (Magic828) (managed under the corporate division).

espAfrika, a Group subsidiary, hosted a very successful 19th Cape Town International Jazz Festival during the financial year. The company's contribution to the Group's revenue amounted to R58m for the financial year.

Magic828, which has been in existence for 36 months, contributed R9m to the Group's gross revenue for the year and increased its listenership in the Western Cape to approximately 187 000 listeners.

Tripos Travel has been engaged in a turnaround strategy since 2016 which led to revenue increasing by 21% from R53m to R64m for the year under review.

Strategic investments

The Group's strategic investments consist of: Pioneer Foods Group Ltd (Pioneer), Sygnia Ltd (Sygnia), Saab Grintek Defence (Pty) Ltd (SGD) and BT, which is now managed and reported under the technology division and accounted for as an associate since the prior year.

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

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

	Audited Group to 31 August 2018 R'000	Audited Group to 31 August 2017 R'000
ASSETS		
Non-current assets	6 705 151	1 855 213
Property, plant and equipment	324 229	154 527
Goodwill	86 201	82 940
Intangible assets	277 853	384 027
Investments in associates	5 575 997	780 559
Investment in joint ventures	-	33
Other loans receivable	11 808	8 366
Other financial assets	419 905	425 524
Deferred tax	9 158	17 578
Prepayments	-	1 659
Current assets	657 125	966 940
Inventory	56 978	64 181
Biological assets	68 021	54 323
Other loans receivable	3 083	26 771
Current tax receivable	2 168	1 591
Trade and other receivables	164 157	195 050
Cash and cash equivalents	362 718	625 024
Total assets	7 362 276	2 822 153
EQUITY AND LIABILITIES		
Equity		
Share capital and share premium	403 177	403 177
Reserves	8 034	8 030
Retained income	4 498 480	866 286
	4 909 691	1 277 493
Non-controlling interest	755 358	760 627
	5 665 049	2 038 120
LIABILITIES		
Non-current liabilities		
Other financial liabilities	1 486 862	461 302
Deferred tax	208 392	245 622
Other non-current liabilities	1 278 257	211 046
	213	4 634
Current liabilities	210 365	322 371
Trade and other payables	105 993	169 984
Other financial liabilities	18 328	47 232
Current tax payable	21 969	32 506
Provisions	27 392	27 642
Other current liabilities	900	485
Bank overdraft	35 783	44 522
Liabilities of disposal group	-	360
Total equity and liabilities	7 362 276	2 822 153
Net asset value per share (cents)	999.25	260.00
Tangible net asset value per share (cents)	925.15	164.96
Number of ordinary shares in issue ('000s)	491 339	491 339

CONDENSED GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

	Audited Group to 31 August 2018 R'000	Audited (restated) Group to 31 August 2017 R'000
Continuing operations		
Revenue	700 691	576 607
Cost of sales	(410 192)	(338 626)
Gross profit	290 499	237 981
Other income	11 467	1 745
Other operating expenses	(256 060)	(177 598)
Net impairments, impairment reversals and write off	(140 319)	(2 605)
Fair value adjustments	(5 414)	535 083
Gain on deemed disposal of subsidiaries	6 049 029	-
Gain on bargain purchase	952	11 755
Profit from equity accounted investments	57 914	30 732
Investment revenue	33 421	21 796
Finance cost	(30 839)	(27 552)
Profit before taxation	6 010 650	631 338
Taxation	(1 062 789)	(143 740)
Profit from continuing operations	4 947 861	487 598
Discontinued operations:		
Profit from discontinued operations	159 533	41 074
Profit for the year	5 107 394	528 672
Other comprehensive income	-	(4)
Total comprehensive income	5 107 394	528 668
Total comprehensive income attributable to:		
Equity holders of the parent	4 992 064	477 085
Non-controlling interest	115 330	51 583
	5 107 394	528 668
Basic and diluted earnings per ordinary share (cents)	1 016.01	97.10
Headline earnings per ordinary share (cents)	24.24	94.89
Weighted (and fully diluted) average number of ordinary shares in issue ('000s)	491 339	491 339

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

	Attributable to parent R'000	Non- controlling interest R'000	Total equity R'000
Balance at 1 September 2016	916 452	84 583	1 001 035
Profit for the period	477 089	51 583	528 672
Other comprehensive income	(4)	-	(4)
Changes in ownership interest - control not lost	(91 355)	620 544	529 189
Dividends paid	(25 804)	(5 985)	(31 789)
Business combinations	1 115	9 902	11 017
Balance at 31 August 2017	1 277 493	760 627	2 038 120
Profit for the period	4 992 064	115 330	5 107 394
Transfer from reserves to retained income	11 790	-	11 790
Changes in ownership interest			
Additional shares acquired	(4 826)	(1 705)	(6 531)
Changes in ownership interest (disposal and share issue) - control not lost	(1 323 592)	5 627 155	4 303 563
Dividends paid	(43 238)	(30 147)	(73 385)
Changes in ownership interest (deemed disposal) - control lost	-	(5 767 588)	(5 767 588)
Business combinations and additional shares purchased	-	51 686	51 686
Balance at 31 August 2018	4 909 691	755 358	5 665 049

CONDENSED GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Audited Group to 31 August 2018 R'000	Audited Group to 31 August 2017 R'000
Cash generated by operations	174 263	73 478
Investment revenue	33 421	23 903
Dividend income	31 434	30 064
Finance cost	(31 217)	(28 267)
Other operating activities	(77 087)	(19 646)
Net cash flows from operating activities	130 814	79 532
Cash flows from investing activities		
Net movement in property, plant and equipment	(120 059)	(24 485)
Net movement in intangible assets	(8 059)	(1 859)
Business combination and additional shares purchased	(77 217)	(1 559)
Deemed disposal of businesses and sale of business	(4 303 642)	-
Movement in other investing activities	671	(3 503)
Purchase of financial assets	(85 056)	(14 118)
Movement from investment in associates	18 746	16 183
Net cash flows from investing activities	(4 574 616)	(29 341)
Cash flows from financing activities		
Repayment of other financial liabilities	(80 573)	(46 006)
Receipt of other financial liabilities	20 492	45 519
Change in ownership	4 322 111	507 518
Dividends paid including minorities	(71 795)	(31 789)
Net cash flows from financing activities	4 190 235	475 242
Total cash movement for the year	(253 567)	525 433
Cash and cash equivalent at the beginning of the year	580 502	55 069
Cash and cash equivalents at the end of the year	326 935	580 502

CONDENSED ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2018

BASIS OF PREPARATION

The condensed consolidated annual financial statements are prepared in accordance with the JSE Ltd (JSE) Listings Requirements and the requirements of the Companies Act, applicable to summarised audited financial statements. The JSE Listings Requirements require financial reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of the 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 annual financial statements from which the summary consolidated annual 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.

This summarised report is extracted from the audited financial statements, but is not itself audited. The directors take full responsibility for the preparation of the report and that the financial information has been correctly extracted from the underlying annual financial statements. The full audited annual financial statements and audit report are available for inspection at the registered offices and at www.aeei.co.za.

The audited annual financial results were prepared by the Group financial manager, Wakeel McLachlan BCom (Hons), CA(SA) and were audited by the Group's external auditors, BDO Cape Inc. An unqualified opinion has been issued.

REPORTING ENTITY

African Equity Empowerment Investments Limited (AEEI) is a company domiciled in South Africa. These condensed consolidated annual financial statements as at and for the year ended 31 August 2018 comprise AEEI 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 B-BBEE and sound corporate governance and ethical practices.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed annual financial statements, management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Final 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 2018.

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.

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. BUSINESS COMBINATION

During the financial year the Group acquired 50.31% of the squid fishing rights, brand and related assets of Talhado within its fishing and brands division for a total consideration of R89m in order to enhance the Group's footprint in the squid sector. The purchase agreement had an effective date of acquisition of 30 November 2017; however, in terms of IFRS 3 Business Combinations, the date of acquisition has been determined as 9 May 2018.

The fair value calculation of the acquired fishing rights, brand and assets. The fair values of the identifiable assets and liabilities are shown below:

Property, plant and equipment	78 987
Intangible assets	40 268
Inventories	25 815
Trade and other receivables	25 292
Other financial assets	1 510
Current tax payable	(19 871)
Cash and cash equivalents	28 085
Other financial liabilities	(10 302)
Deferred tax	(35 888)
Trade and other payables	(31 132)
Provisions	(9 736)
Dividends payable	(5 007)
Total identifiable net assets	88 021
Non-controlling interests	(50 662)
Goodwill	51 964
Total purchase consideration	89 323
Net cash outflow on acquisition date:	
Cash consideration paid	89 323
Cash acquired	(28 084)
Net cash outflow on acquisition	61 239

Interest accrued on the purchase consideration between the legal acquisition date and effective IFRS acquisition date amounting to R3.9m was included as part of the purchase consideration, which was measured at fair value. All other acquisition related costs amounting to R1.79m were expensed and are included in operating expenses in comprehensive income.

Talhado's revenue and profits for the full year beginning 1 September 2017 amounted to R272m and R39m respectively.

i) Non-controlling interest

Non-controlling interest, which is a present ownership interest and entitles the 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.

ii) Goodwill

Goodwill recognised at acquisition relates to the expected growth and cost synergies which cannot be separately recognised as an intangible asset.

Refer to pro forma financial information in the Premier Fishing and Brands SENS on their website at www.premierfishing.co.za.

2. EXPANSION OF THE ABALONE FARM

During the current reporting period, the carrying value of plant and machinery increased from R39m to R61m within the fishing and brands division as a result of the abalone farm expansion. Assets under construction increased to R30m compared to R5m in the prior year. As at 31 August 2018, Premier's directors authorised capital expenditure of R102m that has not been contracted for relating to the abalone farm expansion.

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

3. SUBSIDIARY BECOMES AN ASSOCIATE AND CHANGES IN CONTROL

The Group held an 80.011% equity interest in AYO as at 31 August 2017. Prior to the listing of AYO, a decision was made to issue 10% of its shares to a B-BBEE Consortium, which resulted in a dilution of the Group's investment in AYO to 69.55%. On 21 December 2017, AYO listed on the main board of the JSE, prior to which AYO issued shares under a private placement resulting in a further dilution of the Group's shareholding to 49.36%. Please refer to the statement of changes in equity for the effect of the transaction on retained earnings and non-controlling interest without a loss of control on this date.

This investment was accounted for as a discontinued operation up to and including 24 August 2018, with its financial results being reclassified to discontinued operations. Subsequent to 24 August 2018, the investment became an associate as the Group relinquished control over AYO, when the Board of directors was restructured to comprise a majority of independent non-executive directors, resulting in AEEI no longer unilaterally directing the relevant activities of the business from this date.

The effect of the transaction is therefore as follows:

	Audited 31 August 2018 R'000
Derecognise assets (including goodwill) and liabilities at date control is lost IFRS10.B98(a)	(4 474 831)
Derecognise non-controlling interest IFRS10.B98(a)	5 767 589
Net assets value derecognised	1 292 758
Fair value of remaining interest in AYO IFRS10.B98(b)	4 756 271
Gain on deemed disposal of subsidiary	6 049 029
Investment in associate	780 559
Balance as at 1 September 2017	4 756 271
Amount transferred to investment in associate	57 914
Share of profits in associate	(18 746)
Dividend received from associate	5 575 997
Balance of investment in associates as at 31 August 2018	5 575 997

During the year under review the volume-weighted average price was used as an assessment of the share, which resulted in no impairment being required.

4. DISCONTINUED OPERATIONS

During the year the Group lost control of AYO as mentioned previously, which resulted in the reclassification of AYO to discontinued operations in terms of IFRS 5 - Non-current assets held for sale and discontinued operations.

The breakdown of the profit from discontinued operations is as follows:

	Audited 31 August 2018 R'000	Audited (Restated) 31 August 2017 R'000
Revenue	645 548	475 587
Cost of sales	(439 909)	(315 582)
Other income	1 802	8 238
Expenses	(220 256)	(119 552)
Investment revenue	216 899	2 107
Loss from equity accounted investments	-	(529)
Finance cost	(379)	(715)
Profit before tax	203 705	49 554
Taxation	(44 172)	(11 291)
Profit from continuing operations	159 533	38 263
Profit from discontinued operations	-	2 810
Profit for the year	159 533	41 074

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

5. RECLASSIFICATION OF PRIOR YEAR

Upon loss of control of AYO, certain items previously included in the condensed consolidated profit and loss and other comprehensive income were reclassified as the criteria of IFRS 5 – Non-current held for sale and discontinued operations were met. The effect is that net revenue and expenses related to AYO is reflected in the discontinued operations note and the net total profit for AYO has been reflected in profit from discontinued operations.

6. EFFECTIVE TAX RATE

As a result of the deferred tax raised on the Group's investment in AYO as an associate of R1.07bn, this resulted in a significant increase in the tax rate during the year.

7. EVENTS AFTER REPORTING PERIOD

Subsequent to year-end on 9 November 2018, the Board approved a buyback of shares, which management believe is trading at a discount, creating shareholder value.

A final gross dividend of 12.00 cents per share has been declared after the reporting period but before the financial statements were authorised for issue.

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

8. 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 31 August 2018, 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
2018				
Listed shares	202 201	-	-	202 201
Unlisted shares	-	-	217 704	217 704
Biological assets	-	-	68 021	68 021
Total	202 201	-	285 725	487 926
2017				
Listed shares	235 298	-	-	235 298
Unlisted shares	-	-	190 226	190 226
Biological assets	-	-	54 323	54 323
Total	235 298	-	244 549	479 847

Refer to fair value adjustments in the Group's statement of comprehensive income.

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

9. DIVIDENDS

The Board of directors are pleased to announce that it has approved and declared a dividend of 12.00 cents per share for the year ended 31 August 2018 from income reserves. The dividend amount, net of South African dividend tax of 20% which equates to 2.40 cents per share, is therefore 9.60 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 record date is Friday, 14 December 2018 and the dividend payment date is Tuesday, 18 December 2018.

10. EARNINGS PER SHARE AND RECONCILIATION OF REPORTABLE SEGMENTS PROFIT OR LOSS

	Audited 31 August 2018 R'000	Audited (Restated) 31 August 2017 R'000
Reconciliation of reportable segments profit or loss		
Total profit before tax for reportable segments	6 010 650	631 338
Taxation	(1 062 789)	(143 740)
Profit for the year and total comprehensive	4 947 861	487 598
Profit from discontinued operations	159 533	41 074
Other comprehensive income	-	(4)
Profit for the year and total comprehensive income	5 107 394	528 668

	Audited 31 August 2018 R'000 Gross	Audited 31 August 2018 R'000 Nett	Audited (Restated) 31 August 2017 R'000 Nett
Determination of normalised headline earnings			
Earnings attributable to ordinary equity holders of parent entity		4 992 064	477 085
Adjusted for:			
Impairment of intangible assets	132 812	95 625	-
Impairment of goodwill	11 937	11 937	-
Loss on disposal of property, plant and equipment	4 918	3 541	2 048
(Gain)/loss on disposal of associates	(1 491)	(1 491)	-
(Gain)/loss on disposal of subsidiaries	1 985	1 985	(4 334)
Gain on bargain purchase	(952)	(952)	(8 567)
Gain on deemed disposal of subsidiary	(6 049 029)	(4 983 624)	-
Headline earnings		119 085	466 232
Determination of normalised headline earnings			
Headline earnings		119 085	466 232
Share-based payment		11	-
Fair value adjustments		5 414	(535 083)
Deferred tax on fair value adjustments		(1 213)	119 859
Normalised headline earnings		123 297	51 008
Headline and diluted headline earnings per ordinary share (cents)		24.24	94.89
Normalised headline and diluted earnings per ordinary share (cents)		25.09	10.38

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

11. SEGMENTAL ANALYSIS
Group segmental report – 2018

	Fishing and brands R'000	Tech-nology R'000	Tele-communi-cations R'000	Combined technology and tele-communi-cation R'000	Health and beauty R'000	Biotech-nology R'000	Events and tourism R'000	Corporate R'000	Food R'000	Combined corporate and strategic invest-ments R'000	Group R'000
Revenue	490 870	-	-	-	46 961	-	123 716	110 625	6 661	117 286	778 833
External sales	490 859	-	-	-	46 961	-	121 576	34 634	6 661	41 295	700 691
Inter-group sales	11	-	-	-	-	-	2 140	75 991	-	75 991	78 142
Segment results:											
Profit/(loss) before tax	92 588	-	57 905	57 905	4 777	(153 285)	(6 321)	6 052 154	(37 168)	6 014 986	6 010 650
Discontinued operations	-	159 533	-	159 533	-	-	-	-	-	-	159 533
Included in the segment results:											
Net (impairments)/impairment reversals and write offs	-	-	-	-	(3)	(139 791)	-	(525)	-	(525)	(140 319)
Depreciation and amortisation	(14 685)	-	-	-	(198)	(2 226)	(211)	(2 658)	-	(2 658)	(19 978)
Gain on deemed disposal of subsidiary	-	-	-	-	-	-	-	6 049 029	-	6 049 029	6 049 029
Fair value adjustments	-	-	-	-	-	-	-	28 357	(33 771)	(5 414)	(5 414)
Non-current assets	434 949	-	819 726	819 726	40 598	204 322	11 228	5 019 005	175 323	5 194 328	6 705 151
Current assets	614 575	-	20	20	19 775	(1 530)	17 611	6 568	106	6 674	657 125
Non-current liabilities	130 802	-	-	-	10 479	55 111	2 854	1 158 102	129 514	1 287 616	1 486 862
Current liabilities	147 744	-	24	24	8 595	746	11 393	41 863	-	41 863	210 365
Profit from associates	-	-	57 914	57 914	-	-	-	-	-	-	57 914
Capital expenditure	116 400	-	-	-	-	-	70	224	-	224	116 694

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

11. SEGMENTAL ANALYSIS (continued)
Group segmental report – 2018 (continued)

	Fishing and brands R'000	Technology R'000	Telecommunications R'000	Combined technology and telecommunication R'000	Health and beauty R'000	Biotechnology R'000	Events and tourism R'000	Corporate R'000	Food R'000	Combined corporate and strategic investments R'000	Group R'000
Revenue	410 694	-	-	-	14 886	99	124 235	130 611	5 889	136 500	686 414
External sales	407 814	-	-	-	14 886	99	118 813	29 106	5 889	34 987	576 607
Intergroup sales	2 880	-	-	-	-	-	5 422	101 578	-	101 513	109 880
Segment results:											
Profit/(loss) before tax	94 745	-	569 963	569 963	10 647	(13 162)	(1 196)	49 440	(79 099)	(26 659)	631 338
Discontinued operations	-	41 074	-	41 074	-	-	-	-	-	-	41 074
Included in the segment results:											
Net (impairments)/impairment reversals and write offs	-	-	-	-	-	-	-	(2 605)	-	(2 605)	(2 605)
Depreciation and amortisation	(14 262)	-	-	-	(73)	(2 260)	(239)	(1 451)	-	(1 451)	(18 285)
Gain on bargain purchase	-	-	-	-	11 898	-	-	-	-	-	11 898
Gain on disposal of subsidiaries/business	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments	-	-	570 000	570 000	-	-	286	40 184	(75 387)	(35 203)	535 083
Non-current assets	156 119	83 205	780 559	863 764	40 365	349 706	10 207	225 961	209 091	435 053	1 855 213
Current assets	706 873	213 958	6	213 964	17 756	3 337	19 160	5 806	44	5 850	966 940
Non-current liabilities	89 957	14 368	-	14 368	16 798	91 066	720	114 576	133 817	248 393	461 302
Current liabilities	88 181	142 506	34	142 540	19 245	3 955	16 090	52 360	-	52 360	322 371
Profit from associates	-	-	30 814	30 814	(82)	-	-	-	-	-	30 732
Capital expenditure	17 543	-	-	-	-	16	89	135	-	135	17 783

Notes

The events and tourism division excludes Magic 828 (Pty) Ltd (Magic828), as the company was managed under the corporate office for the financial year under review. During the year, management assessed the above segments' profits/losses using profit before tax as a result of the Group moving towards becoming an investment entity whereby both subsidiaries and equity accounted investments are being assessed.

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

12. RELATED PARTIES

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

13. CHANGE IN THE DIRECTORATE AND COMPANY SECRETARY

At the annual general meeting (AGM) held on 21 February 2018, Mr Salim Young did not make himself available for re-election at the AGM and, accordingly, the requisite resolution was withdrawn.

The Board further advises that Mr Abdul Malick Salie was appointed to the Board of directors as an executive director in the capacity of chief investment officer effective 21 February 2018.

Advocate Dr Ngoako Ramatlhodi was appointed as the lead independent non-executive director to the Board of AEEI effective 7 March 2018.

Ms Nobulungisa Mbaliseli resigned as the company secretary on 3 September 2018, and Mr Damien Terblanche was appointed on 4 September as the new company secretary.

EMPLOYMENT EQUITY ACT SUMMARY (UNAUDITED)

The Group has been successful in providing equal employment opportunities and in promoting internal employees and is committed to driving employment equity goals and enhancing diversity across the Group.

The Group subscribes to the Employment Equity Act and senior executives work with the Department of Labour to ensure ongoing compliance and proactive implementation of regulations and plans. Open dialogue is encouraged between employees and management through our information sessions and committees.

In terms of Section 22 of the Employment Act of South Africa, herewith a summary of the Group's 2018 Employment Report in respect of its operations as at 31 August 2018, required by Section 21 of the Act.

EMPLOYMENT EQUITY ACT SUMMARY

Occupational levels	Non-designated groups			Designated groups			Designated groups				Total
	Foreign nationals			Male			Female				
	W	M	F	A	C	I	A	C	I	W	
AEEI board members	0	2	0	2	1	1	1	3	0	0	10
Top management	14	3	0	6	8	4	3	9	0	1	48
Senior management	15	1	0	4	6	2	1	4	1	9	43
Middle management	27	1	1	10	11	4	5	11	3	20	93
Skilled upper	42	0	1	28	45	9	55	36	13	22	251
Semi-skilled	15	0	0	38	18	3	20	25	3	9	131
Labour/unskilled	0	4	0	75	51	0	36	14	0	0	180
Seasonal	0	0	0	35	77	1	3	8	0	0	124
Contract workers incl Interns and fixed term contracts	0	0	1	1	0	0	2	3	0	2	9
Total	113	11	3	199	217	24	126	113	20	63	889



SHAREHOLDER INFORMATION

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ANALYSIS OF SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2018

ANALYSIS OF SHAREHOLDINGS AS AT 31 AUGUST 2018

	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
1 - 5 000	1 238	63.13	1 730 113	0.35
5 001 - 10 000	267	13.62	2 178 226	0.44
10 001 - 100 000	329	16.78	11 154 592	2.27
100 001 - 1 000 000	94	4.79	31 296 977	6.37
1 000 001 and more	33	1.68	444 979 526	90.56
Total	1 961	100.00	491 339 434	100.00

MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)

	Number of shares	Percentage of total issued share capital
Sekunjalo Investment Holdings (Pty) Ltd	301 531 005	61.37
Miramare Investments (Pty) Ltd	44 859 927	9.13
Total	346 390 932	70.05

DISTRIBUTION OF SHAREHOLDERS

	Shareholders		Shares	
	Number	Percentage	Number	Percentage
Individuals	1 756	89.55	47 319 676	9.63
Nominee companies and trusts	92	4.69	43 930 377	8.94
Public companies	61	3.11	14 912 027	3.03
Close corporations and private companies	52	2.65	385 177 354	78.39
Total	1 961	100.00	491 339 434	100.00

NON-PUBLIC AND PUBLIC SHAREHOLDING

Non-public	11	0.56	361 393 432	73.55
Directors	7	0.36	2 478 110	0.50
>Than 10% of I/C	1	0.05	301 531 005	61.37
Associates	3	0.15	57 384 317	11.68
Public	1 950	99.44	129 946 002	26.45
Totals	1 961	100.00	491 339 434	100.00

SHARE TRADING STATISTICS

	Market price per share (cents)
High	800
Low	307
Year-end	400
Volume traded (shares)	22 586 465
Value traded (rand)	134 292 785
Volume of shares traded as a percentage of issued capital	4.60
Market capitalisation at 31 August 2018 (rand)	1 965 357 736
Market capitalisation at 26 November 2018 (rand)	2 235 594 424

ANALYSIS OF SHAREHOLDER INFORMATION (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

VOTING RIGHTS**Share capital***Authorised*

1 000 000 000 "B" class ordinary shares (listed)

1 000 "A" class convertible redeemable cumulative preference shares

10 000 000 "B" class redeemable preference shares

15% of the "B" class ordinary shares in issue at the beginning of the financial year are at the disposal of the directors in terms of a resolution of shareholders passed at the last annual general meeting of the Company. This authority remains in force until the next annual general meeting of the Company.

"B" class ordinary shares each carries one vote per share.

Issued

491 339 484 "B" class ordinary shares

	2018 0'000	2017 0'000
Reconciliation of number of issued "B" class ordinary shares		
Opening balance	491 339	491 339
Closing balance	491 339	491 339

SHAREHOLDERS' DIARY

FINANCIAL REPORTS

Announcement of interim results	May 2019
Interim report	May 2019
Announcement of annual results	November 2019
Integrated report	November 2019

DIVIDEND PAYMENT

Gross dividend (cents per share)	12:00
Dividend net of dividend withholding tax (cents per share)	9.60
Last day to trade cum dividend	Tuesday, 11 December 2018
Trading ex-dividend commences	Wednesday, 12 December 2018
Record date	Friday, 14 December 2018
Date of payment	Tuesday, 18 December 2018

Share certificates may not be dematerialised between Wednesday, 12 December 2019 and Friday, 14 December 2019, both days inclusive.

