



PREMIER FOOD AND FISHING LIMITED
(previously **Sekunjalo Industrial Holdings Proprietary Limited**)
(Incorporated in the Republic of South Africa)
(Registration number 1998/018598/06)
Share code: PFF, ISIN: ZAE000238309
("PFF" or "the Company")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 6 of this Pre-listing Statement apply to this cover page.

This Pre-listing Statement is not an invitation to the public to subscribe for securities, but is issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public with regard to the Company. This Pre-listing Statement does not constitute, envisage or represent an offer to the public, as envisaged in the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act. This Pre-listing Statement is issued in respect of:

- the Private Placement, to be undertaken by the Company in conjunction with the Listing, involving an offer to Invited Investors to subscribe for Private Placement Shares in the Company at the Placement Price such placement to be implemented by:
 - the Company issuing up to approximately 117 000 000 new Shares to Invited Investors, thereby raising approximately R526.5 million for the Company; and
 - the subsequent Listing of all the Shares of the Company in the Farming, Fishing & Plantations sector on the main board of the JSE.
- The proceeds of the Private Placement will be employed, *inter alia*, to provide PFF with additional capital to fund its further expansion.

2017

Opening date of Private Placement (09:00)	Monday, 20 February
Closing date of Private Placement (17:00)	Tuesday, 21 February
Results of Private Placement released on SENS on	Friday, 24 February
Results of Private Placement published in the press on	Monday, 27 February
Listing of Shares on the JSE expected at commencement of trade on (9:00)	Thursday, 2 March

Notes:

- Please refer to the "Salient Dates and Times" section on page 5 of the Pre-listing Statement for a detailed timetable of the Private Placement and the Listing.
- Invited Investors must advise their CSDP or Broker of their acceptance of the Private Placement Shares in the manner and by the cut-off time stipulated by their CSDP or Broker.

Please note:

- The offer, in the form of the Private Placement, is being made to Invited Investors only** and will comprise up to approximately 117 000 000 Private Placement Shares at a Placement Price of R4.50 per Private Placement Share. **This Pre-listing Statement is not an invitation to the public to subscribe for Shares in the Company.**
- Only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.

Applications per Invited Investor in terms of the Private Placement must be for an amount of not less than R1 000 000, unless such Invited Investor falls within any of the categories envisaged in section 96(1)(a) of the Companies Act.

Immediately prior to the Private Placement and the Listing:

- the authorised share capital of the Company comprised of 2 000 000 000 ordinary Shares of no par value;
- the issued share capital of the Company comprised of 143 000 000 ordinary Shares of no par value; and
- the Company had no treasury shares in issue.

Assuming that 117 000 000 new Private Placement Shares are issued at the Placement Price of R4.50 per Share, then immediately after the implementation of the Private Placement, on Listing:

- the authorised share capital of the Company will comprise of 2 000 000 000 ordinary Shares of no par value;
- the issued share capital of the Company will comprise of 260 000 000 ordinary Shares of no par value;
- the Company will have no treasury shares in issue; and
- the anticipated market capitalisation of the Company should be approximately R1.17 billion.

On the Listing Date all Shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.

There are no convertibility or redemption provisions relating to any of the Private Placement Shares offered in terms of the Private Placement.

The Private Placement Shares will only be placed and issued in Dematerialised form. No certificated Private Placement Shares will be placed or issued. There will be no fractions of Private Placement Shares offered in terms of the Private Placement.

The Private Placement will not be underwritten.

The Listing is conditional on (i) the Company meeting the spread requirements of the JSE and (ii) the Directors of PFF, in their sole discretion, determining that the Company has achieved an appropriate level of black shareholding. In addition, should any of these Conditions Precedent fail, the Private Placement and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against the Company or any other person as a result of the failure in the conditions.

The JSE has granted the Company a listing of all its issued ordinary Shares on the JSE main board under the abbreviated name “PFF”, share code “PFF” and ISIN ZAE000238309, with effect from the commencement of trade on 2 March 2017, subject to the Company having satisfied the JSE Listings Requirements regarding the spread of public shareholders.

Shareholders are advised that their Shares may only be traded on the JSE in Dematerialised form and accordingly all Shareholders who hold their Shares in certificated form will have to Dematerialise their Shares in order to trade their Shares on the JSE. Such Shareholders must accordingly contact their CSDP or Broker in order to Dematerialise their Shares. Please refer to paragraph 8.4 of this Pre-listing Statement for further information in this regard.

The Directors, whose names are set out in the “*Corporate Information*” section of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained in this Pre-listing Statement which relates to the Company and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

The advisors and experts, whose names appear in the “*Corporate Information*” section of this Pre-listing Statement, have given and have not, prior to the formal approval of this Pre-listing Statement by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be released on SENS on 13 February 2017 and published in the press on 14 February 2017.



PSG CAPITAL

Transaction Advisor,
Sponsor and Bookrunner



Attorneys



Grant Thornton

Independent Reporting
Accountant



Corporate Finance

Corporate Advisory

Date of issue: 13 February 2017

Copies of this Pre-listing Statement are available in English only and may, from 13 February 2017 until the Listing Date be obtained from the registered office of the Company and from the Sponsor, at the addresses set out in the “*Corporate Information*” section of this Pre-listing Statement. A copy of this Pre-listing Statement will also be available on the Company’s website (www.premierfishing.co.za).

IMPORTANT LEGAL NOTES

This Pre-listing Statement is not an invitation to the public in South Africa to subscribe for securities, but is issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public with regard to the Company. This Pre-listing Statement does not constitute, envisage or represent an offer to the public in South Africa, as envisaged in the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act.

OFFER IN SOUTH AFRICA ONLY

This Pre-listing Statement has been issued in connection with the Private Placement in South Africa only and is addressed only to Invited Investors to whom the Private Placement may lawfully be made. The distribution of this Pre-listing Statement and the making of an offer by means of the Private Placement may be restricted by law. Persons into whose possession this Pre-listing Statement comes, must inform themselves about and observe any and all such restrictions. This Pre-listing Statement does not constitute an offer of or invitation to subscribe for and/or purchase any shares of the Company in any jurisdiction in which the offer would be unlawful.

The release, publication or distribution of this Pre-listing Statement in certain jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. It is the responsibility of the non-resident Shareholder to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with this Pre-listing Statement.

Any Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

This Pre-listing Statement contains statements about the Company that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-listing Statement.

All these forward-looking statements are based on estimates and assumptions made by the Company. Although the Company believes them to be reasonable, they are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to the Company or not currently considered material by the Company.

Shareholders should keep in mind that any forward-looking statement made in this Pre-listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. The Company has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Pre-listing Statement after the date of this Pre-listing Statement, except as may be required by law.

DISCLOSURE OF INTERESTS

As indicated in this Pre-listing Statement, PSG Capital fulfils the functions of Transaction Advisor, Sponsor and Bookrunner to the Company. It is PSG Capital's opinion that the performance of these functions do not represent a conflict of interest for PSG Capital, impair PSG Capital's independence from the Company or impair PSG Capital's objectivity in its professional dealings with the Company or in relation to the Listing.

CORPORATE INFORMATION

Directors

Reverend Dr Vukile Charles Mehana (Chairman)**
Khalid Abdulla (Deputy Chairman)*
Salim Young**
Mogamat Samir Saban (Chief Executive Officer)
Isaiah Tatenda Bundo (Chief Financial Officer)
Cherie Felicity Hendricks*
Rushaan Isaacs (Sales and Marketing Director)
Aziza Begum Amod**
Takudzwa Tanyaradzwa Hove**
Rosemary Phindile Mosia*
Clifford Leonard van der Venter**
Arthur William Johnson**
Lavendra Sandrigasen Naidoo**
Fredelaine Elna Cindy Brand**

* non-executive

independent

Company secretary

Nobulungisa Mbaliseli

Registered address

Quay 7, Breakwater Boulevard, East Pier
V & A Waterfront
Cape Town, 8001
(PO Box 181, Cape Town, 8000)

Place of incorporation: South Africa

Date of incorporation: 18 September 1998

Transfer Secretaries

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

Auditor and Independent Reporting Accountant

Grant Thornton
(Registration number 2010/016246/07)
6th Floor, 123 Hertzog Boulevard
Cape Town, 8001
(PO Box 2275, Cape Town, 8000)

Transaction Advisor, Sponsor and Bookrunner

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

and at:

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

Attorneys

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

Corporate Advisory

AEEI Corporate Finance Proprietary Limited
(Registration number 2015/402199/07)
Quay 7, Breakwater Boulevard, East Pier
V & A Waterfront
Cape Town, 8001
(PO Box 181, Cape Town, 8000)

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Private Placement Application Form (grey)	Attached

SALIENT FEATURES

The definitions and interpretations commencing on page 6 apply to these salient features.

1. INTRODUCTION

PFF, through its various subsidiaries, operates a vertically integrated food and fisheries business. Shares of PFF have been granted a listing on the main board of the JSE from 2 March 2017 onwards.

2. RATIONALE FOR LISTING

The Company's rationale for the Listing is:

- 2.1 to provide the Company with access to capital in order to grow its business both organically and by way of future acquisitions;
- 2.2 to allow the Company to use listed scrip to fund future acquisitions;
- 2.3 to give its employees and members of communities in which it operates, as well as the general public an opportunity to acquire an equity stake in the Company, following its Listing and thereby share in its potential success in the future; and
- 2.4 to provide Shareholders with a liquid, tradeable asset within a regulated environment and with a market-determined share price.

3. BRIEF OVERVIEW OF PFF

3.1 The PFF Group specialises in the harvesting, processing and marketing of fish and fish-related products, as well as general food products. PFF's subsidiary, Premier Fishing, is currently one of the largest black-owned and controlled fishing companies in South Africa and has been in existence since 1952.

3.2 Please refer to paragraph 2 of the Pre-listing Statement for a more detailed overview of the Group, its assets and holdings.

4. PROSPECTS

PFF is well positioned for growth over the next three years and into the future. The growth will be driven through a combination of organic and acquisitive growth which will enhance Shareholder value whilst expanding the business. PFF is committed to further improving operating efficiencies and profitability. PFF's trusted brands and high-quality products and services have been developed over many years and remain sought after by its customers.

5. PRIVATE PLACEMENT

- 5.1 The Company will, in conjunction with the Listing, undertake the Private Placement by way of an offer to Invited Investors to subscribe for Private Placement Shares in the Company at the Placement Price, thereby raising approximately R526.5 million for the Company.
- 5.2 Only persons who fall within the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.
- 5.3 The Listing is conditional on (i) (the Company meeting the spread requirements of the JSE and (ii) the Directors of PFF, in their sole discretion, determining that the Company has achieved an appropriate level of black shareholding. In addition, should any of these Conditions Precedent fail, the Private Placement (and any acceptance thereof) shall not be of any force or effect and no person shall have any claim whatsoever against the Company or any other person as a result of the failure of the conditions.

6. STATEMENT AS TO LISTING ON THE JSE

- 6.1 The JSE has granted the Company a listing of all its issued Shares on the JSE main board under the abbreviated name "PFF", share code "PFF" and ISIN ZAE000238309 with effect from the commencement of trade on 2 March 2017, subject to the Company having satisfied the JSE Listings Requirements regarding the spread of public shareholders. The Company will be listed in the "Farming, Fishing & Plantations" sector of the main board.
- 6.2 Shareholders are advised that their Shares may only be traded on the JSE in Dematerialised form. Accordingly, Shareholders who hold Shares in certificated form will need to Dematerialise their Shares into an account held at a suitable service provider, in order to trade their Shares on the JSE. This can be either one of the CSDPs that offers a trading service or a JSE-registered Broker. The process takes a few days, depending on the volumes of certificates to be authenticated. While such Shares are undergoing Dematerialisation, the Shareholder will be unable to trade them.

7. ACTION REQUIRED

- 7.1 Applications by Invited Investors for Private Placement Shares must be made in accordance with the procedures and terms detailed in **Annexure 16** of this Pre-listing Statement and by completing an Application Form, which accompanies this Pre-listing Statement. Application Forms will be made available to Invited Investors.
- 7.2 Applications for Private Placement Shares can only be made for Dematerialised Shares and where applicable must be submitted through a CSDP or Broker in accordance with the Custody Agreement governing the relationship between the applicant and the CSDP or Broker by the cut-off time stipulated by the CSDP or Broker.
- 7.3 If you are in any doubt as to what action to take, you should consult your Broker, attorney or other professional advisor immediately.
- 7.4 Applications per Invited Investor in terms of the Private Placement must be for an amount of not less than R1 000 000, unless such Invited Investor falls within any of the categories envisaged in section 96(1)(a) of the Companies Act.

SALIENT DATES AND TIMES

2017

Abridged Pre-listing Statement published on SENS on	Monday, 13 February
Pre-listing Statement published on the Company's website (www.premierfishing.co.za) and made available for inspection on	Monday, 13 February
Abridged Pre-listing Statement published in the press on	Tuesday, 14 February
Opening date of Private Placement (09:00)	Monday, 20 February
Closing date of Private Placement (17:00)	Tuesday 21 February
Notification of application to successful Invited Investors on	Friday, 24 February
Results of Private Placement released on SENS on	Friday, 24 February
Accounts at CSDPs/Brokers updated in respect of Dematerialised Shareholders on	Thursday, 2 March
Listing of Shares on the JSE expected at commencement of trade on (9:00)	Thursday, 2 March

Notes:

- The above dates are subject to change. Any such change will be announced on SENS.
- All references to dates and times are to local dates and times in South Africa.
- Invited Investors must advise their CSDP or Broker of their acceptance of the Private Placement Shares in the manner and cut-off time stipulated by their CSDP or Broker.
- CSDPs effect payment on a delivery-versus-payment basis.

DEFINITIONS AND INTERPRETATION

In this Pre-listing Statement and annexures hereto, unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"2016 FRAP"	the most recent fishing rights allocation process undertaken by DAFF, which commenced in 2016 and which is currently being finalised;
"AEEI"	African Equity Empowerment Investments Limited (registration number 1996/006093/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE, and which will, on the Listing Date, hold an estimated 55% of the issued Shares in PFF;
"Application Form"	the application form to be used by Invited Investors when applying for Private Placement Shares to be issued to them in terms of the Private Placement, which is attached to this Pre-listing Statement (<i>grey</i>) and which will be made available to Invited Investors;
"BEE Act"	the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended;
"Black People"	is a generic term which means Africans, Coloureds and Indians as defined in the Broad-Based Black Economic Empowerment Codes of Good Practice published on 11 October 2013 in accordance with section 9(1) of the BEE Act;
"Board" or "Directors"	the board of Directors of PFF;
"Cliffe Dekker Hofmeyr"	Cliffe Dekker Hofmeyr Incorporated (registration number 2008/018923/21), a personal liability company incorporated under the laws of South Africa, the particulars of which appear in the "Corporate Information" section of the Pre-listing Statement;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdom of Lesotho and Swaziland;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended;
"Conditions Precedent"	the conditions precedent to the Listing and the Private Placement, as set out in paragraph 7.3 of this Pre-listing Statement;
"CSDP"	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised share account;
"Custody Agreement"	a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on the Company's uncertificated securities register administered by a CSDP or Broker on behalf of that person;
"DAFF"	the Department of Agriculture, Forestry and Fisheries;
"Dematerialise" or "Dematerialised" or "Dematerialisation"	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in the Company's uncertificated securities register administered by a CSDP;
"Dematerialised Shareholders"	Shareholders who hold Dematerialised Shares;
"Dematerialised Shares"	Shares which have been incorporated into the Strate system and which are not evidenced by certificates or other physical Documents of Title;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012;
"Independent Reporting Accountant"	Grant Thornton Cape Incorporated, (registration number 2010/016246/07), particulars of which appear in the "Corporate Information" section of the Pre-listing Statement;
"Invited Investors"	those specifically identified investors, including financial institutions, selected retail investors and selected private clients, to whom the offer under the Private Placement will be addressed and made, it being recorded that only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement;
"JSE"	the exchange, licensed in terms of section 9 of the Financial Markets Act and operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;

“King Code”	the King Report on Governance for South Africa, 2009 (King III);
“Last Practicable Date”	the last practicable date prior to the finalisation of this Pre-listing Statement, being Friday, 3 February 2017;
“the Listing”	the listing of the entire issued ordinary share capital of PFF on the JSE main board, which listing is expected to occur with the commencement of trade on Thursday, 2 March 2017;
“Listing Date”	the date on which the Listing occurs;
“Major Subsidiary”	a major subsidiary, as defined in the JSE Listings Requirements of the Company, meaning a subsidiary that represents 25% or more of the total assets or revenue of the consolidated Group, comprising, as at the date of this Pre-listing Statement, Premfresh and Premier Fishing, both wholly owned subsidiaries;
“Mandated Investment”	as defined in Schedule 1 to the Codes of Good Practice, 2013 of the BEE Act;
“Marine Growers”	Marine Growers Proprietary Limited, registration number 1991/002484/07, a limited liability private company incorporated under the laws of South Africa and a wholly owned subsidiary of the Company;
“MOI”	the memorandum of incorporation of PFF, as approved by Shareholders on or about 1 February 2017, which memorandum of incorporation will come into force prior to the Listing Date, and a copy of which is available for inspection, as indicated in paragraph 22 of the Pre-listing Statement;
“PFF” or “the Company”	Premier Food and Fishing Limited (previously known as Sekunjalo Industrial Holdings Proprietary Limited) (registration number 1998/018598/06), a public company incorporated under the laws of South Africa. PFF is, as at the date of this Pre-listing Statement, a wholly-owned subsidiary of AEEI and will, following the Listing, be listed on the JSE main board with an estimated 55% of its issued share capital continuing to be held by AEEI;
“PFF Group Company” or “Group Company”	any company forming part of the PFF Group;
“PFF Group” or “Group”	collectively, the Company and its subsidiaries, the structure of which is detailed in Annexure 11 ;
“PFF SIT”	the Premier Food and Fishing Group Share Incentive Trust, a trust created under the PFF SIT Deed, which is to be registered with the Master of the High Court following the Listing;
“PFF SIT Deed”	the trust deed for the PFF SIT, a copy of which is available for inspection, as indicated in paragraph 22 of the Pre-listing Statement;
“Placement Price”	the price per Share at which the Private Placement Shares are issued under the Private Placement, being R4.50 per Share;
“Premfresh”	Premfresh Seafood Proprietary Limited (registration number 2003/022688/07), a private company incorporated under the laws of South Africa, being a Major Subsidiary (100%) of the Company;
“Premier Fishing”	Premier Fishing SA Proprietary Limited (registration number 1952/002671/07), a private company incorporated under the laws of South Africa, being a Major Subsidiary (100%) of the Company;
“Pre-listing Statement”	this pre-listing statement dated 13 February 2017 including all annexures hereto;
“Private Placement”	the private placement, to be undertaken by the Company in conjunction with the Listing, involving an offer to Invited Investors to subscribe for Private Placement Shares in the Company at the Placement Price, thereby raising approximately R526.5 million for the Company;
“Private Placement Shares”	up to approximately 117 000 000 million Shares offered to Invited Investors under the Private Placement;
“PSG Capital” or “Sponsor” or “Transaction Advisor” or “Bookrunner”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa, the particulars of which appear in the “ <i>Corporate Information</i> ” section of this Pre-listing Statement;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Shareholders”	registered holders of Shares;

“Share Incentive Scheme”	the share incentive scheme, as approved by Shareholders on or about 1 February 2017 , which will, following registration of the PFF SIT Deed with the Master of the High Court, be operated under the PFF SIT, in terms of the PFF SIT Deed;
“Share Issue”	the issue of the Private Placement Shares at the Placement Price, pursuant to the Private Placement;
“Share Split”	the subdivision, in anticipation of the Listing, of each Share in the Company’s authorised and issued ordinary share capital into 1 430 000 Shares, as referred to in paragraph 9.3.2 of this Pre-listing Statement;
“Shares”	ordinary no par value shares in the Company’s share capital;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE; and
“Transfer Secretaries”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated under the laws of South Africa, particulars of which appear in the “ <i>Corporate Information</i> ” section of the Pre-listing Statement.



PREMIER FOOD AND FISHING LIMITED
(previously **Sekunjalo Industrial Holdings Proprietary Limited**)
(Incorporated in the Republic of South Africa)
(Registration number 1998/018598/06)
Share code: PFF, ISIN: ZAE000238309
("PFF" or "the Company")

Directors

Reverend Dr Vukile Charles Mehana (Chairman)*#
Khalid Abdulla (Deputy Chairman)*
Salim Young*#
Mogamat Samir Saban (Chief Executive Officer)
Isaiah Tatenda Bundo (Chief Financial Officer)
Cherie Felicity Hendricks*
Rushaan Isaacs (Sales and Marketing Director)
Aziza Begum Amod*#
Takudzwa Tanyaradzwa Hove*#
Rosemary Phindile Mosia*#
Clifford Leonard van der Venter*#
Arthur William Johnson*#
Lavendra Sandrigasen Naidoo*#
Fredelaine Elna Cindy Brand*#

* *Non-executive*

Independent

PRE-LISTING STATEMENT

SECTION ONE – INFORMATION ON THE PFF GROUP

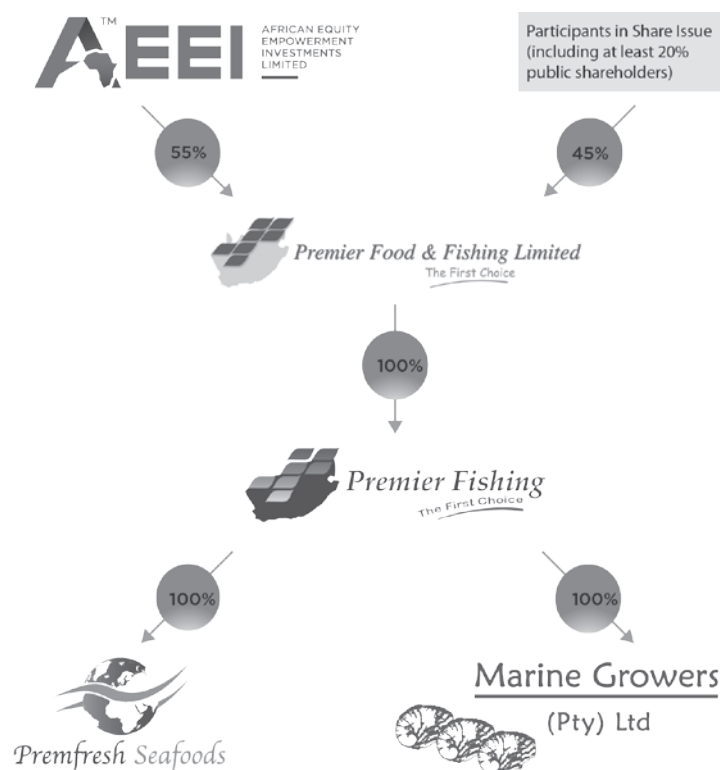
1. INTRODUCTION

- 1.1 PFF, through its various subsidiaries, operates a vertically integrated food and fisheries business.
- 1.2 PFF was converted from a private company to a public company on 1 February 2017 in anticipation of the Listing.
- 1.3 As a condition to the Listing and in order to provide PFF with additional capital to fund its further expansion, PFF will, in conjunction with the Listing, undertake the Private Placement to Invited Investors. AEEL's shareholding in PFF will, as a result of the Private Placement, reduce from 100% (as at the date of this Pre-listing Statement) to an estimated 55% on the Listing Date, with PFF remaining a subsidiary of AEEL.
- 1.4 The purpose of this Pre-listing Statement is to:
 - 1.4.1 provide Invited Investors with relevant information relating to the PFF Group, the Private Placement and the Listing on the JSE;
 - 1.4.2 communicate the strategy and the objectives of the PFF Group; and
 - 1.4.3 set out the salient details of the Listing and the Private Placement and the procedure for Invited Investor to participate therein.

2. OVERVIEW OF THE GROUP

2.1 The PFF Group

The following diagram sets out the Group's anticipated structure at Listing (a more detailed diagram appears at Annexure 11):



2.2 Businesses

The businesses of the PFF Group are detailed below.

2.2.1 Premier Fishing

- 2.2.1.1 PFF's subsidiary, Premier Fishing, is a vertically integrated food and fishing company which specialises in the harvesting, processing and marketing of fish and fish-related products, as well as general food products. It employs more than 350 permanent and seasonal staff and its business includes factories, processing facilities and fishing vessels operating in three provinces. Its products range from rock lobster to octopus, squid, abalone, pilchards, hake, general food products and environmentally friendly agri-biotechnology products.
- 2.2.1.2 Premier Fishing is one of the largest black-owned and controlled fishing companies in South Africa and has been in existence since 1952. Premier Fishing has four operating divisions, two subsidiary companies and a number of joint venture operations.
- 2.2.1.3 Premier Fishing and its subsidiaries hold medium to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics (anchovy and pilchard), hake deep-sea trawl, longline and squid. In addition, through Marine Growers (see below), Premier Fishing owns an abalone farm and invests in organic agriculture through the "Seagro" range of products.
- 2.2.1.4 Premier Fishing has various processing facilities and factories from Port Nolloth to Saldanha Bay, Hout Bay, Cape Town, Gansbaai as well as Humansdorp. Premier Fishing's processing vessels comply with European Union (EU) regulatory standards and operate in the fishing grounds between Port Alfred and Plettenberg Bay. Premier Fishing focuses its attention on the sustainability of marine life and is a member of the South African Fishing Ethically (SAFE) Association and is Food and Drug Administration (FDA) and Hazard Analyses & Critical Control Points (HACCP) certified.

2.2.2 Marine Growers

- 2.2.2.1 Premier Fishing's aquaculture business, Marine Growers, is involved in abalone farming and sells its abalone locally and internationally through the Atlantic Abalone brand. It produces more than 120 000 kg of cultured abalone per annum and is rated as one of the top five abalone farms in South Africa. Marine Growers (Atlantic Abalone) is based in Gansbaai in the Western Cape. The farm does much to ensure the sustainability of the species and makes a contribution to international trade while also representing a viable and highly profitable investment opportunity. The growth of the business as well as investment into new activities in aquaculture is a priority to the Group not only for its potential returns but also because of its contribution to enviro-friendly sustainability.
- 2.2.2.2 Marine Growers also owns "Seagro", a producer of organic fertilisers. Seagro's range of organic fertilisers has a wide range of applications as biological fertilisers in the agricultural, horticultural, home and garden industries. All "Seagro" products are economical, environmentally friendly and compatible with insecticides and adjuvants.

2.2.3 Premfresh

- 2.2.3.1 Premfresh is the sales and marketing arm of Premier Fishing and has an experienced marketing team with a successful track record of more than 16 years in marketing of fish and fish related products. It also assists small quota holders with the marketing of their fish.
- 2.2.3.2 The niche nature of Premier Fishing's products enable the products to be pre-sold before they are caught or farmed.

2.3 Products and Quotas

- 2.3.1 The current business has a well-diversified portfolio of product species with strong brands, both locally and globally, which are in high demand. The current basket of products consists of:

- 2.3.1.1 West Coast Rock Lobster;
- 2.3.1.2 South Coast Rock Lobster;
- 2.3.1.3 Pilchards;
- 2.3.1.4 Anchovy;
- 2.3.1.5 Squid;
- 2.3.1.6 Hake Trawl;
- 2.3.1.7 Hake Longline; and
- 2.3.1.8 Abalone.

- 2.3.2 The geographic market where the Company's products are sold are illustrated in the table below. More than 65% of the revenue is derived from foreign sales. The Company has well established brands that have been in the market for many years. In the current markets where the products are sold, demand currently exceeds supply. South African fish species are highly sought after globally due to their quality, taste and texture and are rated amongst the best in the world when compared to the Company's global competitors.

Product	Brand	Country/region of sale	Product mix
South Coast Rock Lobster	South Atlantic	United States of America	Frozen tails
West Coast Rock Lobster	South Atlantic	China, Hong Kong, Japan	Live, whole raw frozen, whole cooked, tails
Squid	Sea Diamond	Europe	Frozen
Abalone	Atlantic Abalone	China, Hong Kong, Taiwan	Live, canned, dried
Pelagic (Pilchards and Anchovy)	SSF	South Africa	Raw fish
Seagro fertiliser	Seagro	South Africa	Bottled

- 2.3.3 The table below provides further details regarding the product mix of the Company, including processing facilities, quota sizes and the global total allowable catch ("TAC").

Products	Geo-graphic location	Employees excl abalone	Vessels	Product Certification	Pro-cessing plant	Quota size and managed kg ³	Global TAC
South Coast Rock Lobster	Cape Town, Waterfront	110	4	HACCP, FDA and EU	1 Plant	133,192	316,000
West Coast Rock Lobster	Hout Bay, Cape Town	36	2	HACCP, FDA and EU	1 Plant	264,943	1,118,146
Squid	Port Elizabeth	103	4	HACCP and EU	1 plant	TAE	TAE
Pilchards	Saldanha Bay, Cape Town	Note 1	6	HACCP	0	5,678,000	90,000,000
Anchovy	Saldanha Bay, Cape Town	Note 1	Note 2	HACCP	0	19,378,000	145,023,000
Hake	Cape Town	20	1	HACCP And EU	Not Applicable	744,000	134,717,000

Notes: 1. Pilchards and anchovies share the staff compliment of 103 with squid.
2. Pilchards and anchovies share 6 vessels together.
3. All of the quotas are owned except for the West Coast Rock lobster sector. The split for the West Coast Rock lobster is as follows:
Owned quota – 86 888 kg
Managed quota – 178 055 kg
Total – 264 943 kg

- 2.3.4 The Company is currently exploring other products for the local and global market to further organic growth from the products that it is currently producing. These value-added products will contribute positively to the Company's growth.

2.4 Quotas

Description	Quota size (kg)	Date awarded	Expiry Date
South Coast Rock Lobster	133 192	2005	2020
West Coast Rock Lobster ¹	86 888	2005	2015
Hake Deep Sea Trawl	744 000	2005	2020
Squid	4 Vessels	2013	2020
Pilchards	5 678 000	2005	2020
Anchovy	19 378 000	2005	2020
Horse Mackerel ²	492 320	2016	

Notes:

¹ The following sectors are currently being considered by DAFF in connection with the 2016 FRAP:

- West Coast Rock Lobster;
- Horse Mackerel;
- Hake Inshore Trawl;
- Patagonian Toothfish;
- Abalone;
- Large Pelagic; and
- Seaweed.

Premier Fishing submitted applications for West Coast Rock Lobster, Horse Mackerel, Hake Inshore Trawl and Seaweed.

DAFF is still in the process of reviewing applications in the West Coast Rock Lobster sector and the Company is awaiting the outcome of its application in this sector.

An exemption was granted by DAFF to current rights holders to undertake commercial fishing of West Coast Rock Lobster for the 2016/2017 fishing season while DAFF is in the process of adjudicating all of the applications received under the 2016 FRAP.

Please refer to paragraph 2.8 below for further information regarding the regulatory environment and the 2016 FRAP.

² Premier Fishing was awarded a right to undertake commercial fishing of Horse Mackerel during the 2016 FRAP. The list of successful applicants published by DAFF is not yet final and the term of the fishing rights has not yet been finalised by DAFF.

2.5 Key determinants and competitive advantages

Some of the key determinants and competitive advantages of the Company include the following:

- 2.5.1 based on information published by DAFF, the Company controls 60% of the South African South Coast Rock Lobster market which is exported to the USA and holds 12% of the total west coast rock lobster in South Africa which is exported;
- 2.5.2 consistent high quality products delivered to their customers;
- 2.5.3 owns and controls top-class production facilities nationally;
- 2.5.4 trusted strong brands that have been developed over many decades;
- 2.5.5 an experienced and dynamic management team comprising of a broad array of qualifications and experience;
- 2.5.6 significant growth over the past 5 years has been achieved organically; and
- 2.5.7 the Company aims to achieve above market returns to its stakeholders and especially its shareholders.

2.6 Marketing positioning

- 2.6.1 The fishing industry consists of 22 sectors, which has an estimated total value of R6 billion (excluding aquaculture, processing and value add). The Company is one of 8 comparable fishing groups in South Africa in terms of size and product basket. Based on quota sizes published by DAFF, the Company holds 5% of the total market and 10% of 6 sectors where it holds allocations.
- 2.6.2 The Company is well positioned in the fishing industry for growth due to strong and solid empowerment credentials, market share and size in relation to the 22 fishing sectors available in the South African market.

2.7 Growth strategy

PFF's growth strategy is summarised below:

- 2.7.1 Acquisition of a fishing company

The Company is currently actively pursuing the acquisition of a fishing company that will strategically fit into the structure and the Company's strategic growth plan.

2.7.2 Organic growth

2.7.2.1 Lobster business

The South African lobster species are highly sort after globally due to its superior quality and taste compared to other global lobster species. The South African coast line with its unique water quality and temperatures sets the lobsters sold by the Company apart from those originating in most other countries when it comes to quality and taste. The Company's resources are controlled by the government and a well-established fishing industry that has designed good scientific models to ensure the sustainability of the resource for generations to come. The Company is one of the market leaders, based on quota sizes, in lobster from South Africa which is exported to the USA and Asian markets. All of its products are produced under strict global certification standards that ensure the top quality that its customers have been accustomed to over many decades. The Company is also partnering with hundreds of smaller fishermen, where the Company provides sales and marketing services, thereby increasing the volume of product into the market and strengthening the brand even further.

2.7.2.2 Trading business

The Company is also exploring the acquisition of a trading business that imports fish for the local market as the Company sees significant growth for seafood as a healthier alternative for consumption. The Company has been approached by various seafood trading businesses to either acquire or partner with and discussions are continuing to ensure that the Company concludes a deal that will be commercial, viable and obtain the required returns expected.

2.7.2.3 Aquaculture and Abalone

The abalone business which currently produces 120 000 kg of abalone annually has reached maximum production capacity and the Company currently cannot keep up with demand from the Asian market. The Company wishes to expand its operations in this sector as global demand for South African abalone exceeds its supply. During 2011 the Company acquired 6 hectares of land (adjacent to its existing abalone operation) for an amount of R3 million, which was duly paid for, and it is in the process of developing such newly acquired land into a new facility to increase production up to 300 000 kg of abalone per annum. The Company's expected investment to fully develop this new expansion will cost an estimated R200 million.

The Company is also exploring new technology in the aquaculture sector to produce other species such as tilapia and other fin fish. The Company is currently engaging with global experts in the field of this new revolutionary technology.

2.7.2.4 Pelagic

The pelagic business also provides highly sought after protein to the local and global market. Pilchards are canned for the South African market and all sold locally. The Company's anchovy fish is used to produce fishmeal for the global animal feed and aquaculture markets. The Company currently has pilchards and anchovy quotas which are all sold locally, but expansion across the entire value chain would result in higher profits. As a targeted growth strategy, a new and highly efficient fishmeal plant will be acquired in order to process the existing and new pilchards and anchovy quotas, this will produce fishmeal for both local and global markets.

2.8 Regulatory environment

- 2.8.1 Commercial fishing in South Africa is regulated under the Marine Living Resources Act 18 of 1998 ("**MLRA**") under the auspices of DAFF.
- 2.8.2 In terms of the MLRA, commercial fishing and related activities may only be conducted if a party is granted a right to do so. These fishing rights are issued in respect of certain fishing sectors. PFF's subsidiary, Premier Fishing, holds rights to undertake commercial fishing in a number of these sectors.
- 2.8.3 Fishing rights are awarded on application and, in the case of long term rights, these rights endure for a period of typically 15 years. The most recent fishing rights application process commenced in 2016 and is currently still being finalised ("**2016 FRAP**").
- 2.8.4 Premier Fishing's rights in respect of West Coast Rock Lobster (Nearshore) ("**WCRLN**") and West Coast Rock Lobster (Offshore) ("**WCRLO**") are subject to renewal in terms of the 2016 FRAP. DAFF has granted an exemption to fishing companies and individuals holding long-term commercial fishing rights in these sectors, enabling them to continue operating until such time as the 2016 FRAP for these sectors has been finalised. Further particulars regarding the fishing right quotas currently held by Premier Fishing, as well as those currently applied for under the 2016 FRAP, are detailed in paragraph 2.4.
- 2.8.5 Transformation, in particular, is and remains a key consideration in the determination and allocation of fishing rights. In terms of the MLRA and current policies issued thereunder, DAFF must have regard to the transformation levels of applicants for fishing rights in order to determine and award rights to conduct fishing and related activities. In this regard, Premier Fishing is one of the largest black-owned and controlled fishing companies in South Africa.

- 2.8.6 In terms of the MLRA, the Listing will only require DAFF approval, should it result in a change of control occurring in Premier Fishing or should the transformation level of Premier Fishing reduce as a result of the Listing. While the Listing will result in a dilution of the shareholding of AEEI in the PFF Group, including Premier Fishing, AEEI will remain the holding company of the PFF Group and, accordingly, no change of control will occur. In addition, PFF will ensure that there is no dilution of its transformation level as a result of the Listing, particularly in relation to its effective black ownership. In this regard, PFF will, when allocating Shares to Invited Investors participating in the Private Placement, grant preference to those Invited Investors who are Black People.
- 2.8.7 PFF is of the view that it will maintain its transformation levels as they exist immediately prior to Listing, having regard to the current and anticipated shareholding make up. There are, however, challenges in relation to the regulatory environment and particularly the application and interpretation of current DAFF policies as these relate to transformation. PFF is and will remain committed to meaningful transformation and will maintain its status as a majority black owned and controlled company in a listed environment.
- 2.8.8 Given that no change of control of Premier Fishing will occur as a result of the Listing and that the Listing will not reduce its transformation level, the Listing does not require the approval of DAFF.

2.9 Details of AEEI

- 2.9.1 PFF's holding company, AEEI, is a majority black-owned and black-controlled investment holding company based in South Africa. It has been in existence since 1997 and listed on the JSE in 1999.
- 2.9.2 AEEI is a diversified company that empowers people through profits and partnerships. It is furthermore a dynamic and innovative company that creates superior stakeholder value.
- 2.9.3 AEEI has investments in food and fishing, technology, health and biotherapeutics, events and tourism, all supporting broad-based black economic empowerment and small, medium and micro enterprises. It also holds strategic investments in British Telecoms South Africa Proprietary Limited, Sb Grintek Defence Proprietary Limited, Pioneer Food Group Limited and Sygnia Limited, some with international partners.
- 2.9.4 It currently (both directly and indirectly) employs over 3 930 employees and over 12 250 people, predominantly South Africans, benefit from its investments and associated companies. AEEI is a significant exporter and generates a large portion of income in foreign currency.

2.10 Major Subsidiaries

Premier Fishing and Premfresh are the Major Subsidiaries of the Company, as further detailed in **Annexure 12**.

3. PROSPECTS

PFF is well positioned for growth over the next three years and into the future. As one of the largest black fishing companies in South Africa and given that current legislation is likely to promote black participation and black industrial development in this sector, this should be beneficial for the growth in this area. PFF will strive to grow through a combination of organic growth and earnings accretive acquisitions, so as to enhance Shareholder value and expand the business. PFF is committed to further improving operating efficiencies and profitability. PFF's trusted brands and high-quality products and services have been developed over many years.

4. DIVIDEND POLICY

- 4.1 The Company aims to distribute 30% of its annual free cash flow generated to Shareholders, subject to the relevant solvency and liquidity tests as defined in the Companies Act being met.
- 4.2 Various factors such as yearly working capital requirements and capital expenditure for maintenance and expansion will be taken into account in determining the free cash flow.

5. MANAGEMENT OF THE COMPANY

5.1 Management overview

- 5.1.1 The Company is governed by the Board, which is responsible for ensuring that the Company complies with all of its statutory and regulatory obligations, as specified in the Companies Act, the MOI and, following the Listing, the JSE Listings Requirements.
- 5.1.2 PFF's executive committee will meet monthly and act as a consolidated oversight committee for the PFF Group. The executive committee will upon Listing have the following members:

Full name	Position
Mogamat Samir Saban	Chief Executive Officer
Isaiah Tatenda Bundo	Chief Financial Officer
Rushaan Isaacs	Sales Director
Shaun Bhana	Operations Executive
Shaun Solomons	Operations Executive
Jean-Pierre Coetzer	Operations Executive

- 5.1.3 The Board has appointed a number of further committees to assist the Board in discharging its duties, with the particulars of such committees appearing in **Annexure 8**.
- 5.1.4 No part of the business of the Group is managed, or is proposed to be managed, by a third party under a contract or arrangement.

5.2 Services

- 5.2.1 AEEI, provides certain company secretarial, back office, treasury, administration, financial, payroll and other services to PFF in consideration for an administration fee under a services agreement.
- 5.2.2 The administration fee is calculated at the end of each financial year as 1.5% per annum of the Company's turnover.
- 5.2.3 The services agreement, setting out the detail in respect of the abovementioned fee, is available for inspection, as indicated in paragraph 22 below.

6. DIRECTORS

6.1 Composition of the Board

- 6.1.1 The full names, ages, business address and capacities of the Directors of the Company are provided below:

Full name	Age	Capacity	Business Address
Reverend Dr Vukile Charles Mehana	64	Independent non-executive Chairman	Level 3, 34 Whiteley Road, Melrose Arch, 2196 Johannesburg, South Africa
Khalid Abdulla	51	Non-executive Deputy Chairman	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Salim Young	59	Independent non-executive Director	17 Belair Drive, Constantia, Cape Town, 8001
Mogamat Samir Saban	39	Chief Executive Officer	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Isaiah Tatenda Bundo	34	Chief Financial Officer	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Rushaan Isaacs	39	Sales and Marketing Director	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Cherie Felicity Hendricks	54	Non-executive Director	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Aziza Begum Amod	55	Independent non-executive Director	26 Mayfield Avenue, Rondebosch, Cape Town, 8001
Takudzwa Tanyaradzwa Hove	34	Independent non-executive Director	10th Floor, Conventional Tower, Heerengracht Street, Cape Town, 8000
Rosemary Phindile Mosia	49	Independent non-executive Director	66 Loch Road, Rondebosch, 7700
Clifford Leonard van der Venter	52	Independent non-executive Director	545 Les Lions Street, Val de Vie Estate, Paarl
Arthur William Johnson	49	Independent non-executive Director	Claremont Central, 4th Floor, 8 Vineyard Road, Claremont, 7700
Lavendra Sandrigasen Naidoo	48	Independent non-executive Director	Claremont Central, 4th Floor, 8 Vineyard Road, Claremont, 7700
Fredelaine Elna Cindy Brand	28	Independent non-executive Director	Claremont Central, 4th Floor, 8 Vineyard Road, Claremont, 7700

- 6.1.2 Profiles of the Directors, detailing their experience, appear in **Annexure 9**.

- 6.1.3 The following changes occurred to the Board over the past 12 months:

- 6.1.3.1 all the Directors, save for Khalid Abdulla (1 December 2008), Cherie Felicity Hendricks (6 July 2009) and Aziza Begum Amod (13 January 2014), were appointed with effect from 1 February 2017.

6.2 Directors of Major Subsidiaries

The full names, ages, business address and capacities of the Directors of the Company's Major Subsidiaries, appear in **Annexure 14**.

6.3 Additional information

- 6.3.1 A list of other Directorships held by the Directors of the Company have been set out in **Annexure 10**.
- 6.3.2 All Directors of the Company and all directors of its Major Subsidiaries are South African citizens, save for Isaiah Tatenda Bundo and Takudzwa Tanyaradzwa Hove, who are Zimbabwean citizens.
- 6.3.3 No Director of the Company and no director of a Major Subsidiary is a partner with unlimited liability.

6.3.4 None of the Directors of the Company and none of the directors of its Major Subsidiaries:

- 6.3.4.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- 6.3.4.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;
- 6.3.4.3 have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;
- 6.3.4.4 have entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- 6.3.4.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 6.3.4.6 have been involved in any offence of dishonesty;
- 6.3.4.7 have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
- 6.3.4.8 have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act, 1973.

6.4 **Chief financial officer**

Isaiah Tatenda Bundo is the chief financial officer of the Company. The audit committee has considered and satisfied itself of the appropriateness of the expertise and experience of Mr Bundo for the position as chief financial officer. **Annexure 9** contains further details on the qualification and experience of Mr Bundo.

6.5 **Borrowing powers**

- 6.5.1 The provisions of the MOI regarding the borrowing powers exercisable by Directors of PFF are set out in **Annexure 7** to this Pre-listing Statement. The MOI does not provide for the borrowing powers of the Directors to be varied and any variation of such powers would accordingly require Shareholders to approve a special resolution amending the MOI.
- 6.5.2 The borrowing powers of the Directors of the PFF Group have not been exceeded during the three years preceding the Last Practicable Date. There are no exchange control or other restrictions on the borrowing powers of the Company or any of its Major Subsidiaries.

6.6 **Appointment and qualification of Directors**

- 6.6.1 The relevant provisions of the MOI regarding the term of office of Directors, the manner of their appointment and rotation are set out in **Annexure 7**. No person has the right in terms of any agreement in respect of the appointment of any Director or any number of Directors.
- 6.6.2 The relevant provisions of the MOI relating to the qualification of Directors appear in **Annexure 7**. Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, a person needs not satisfy any eligibility requirements or qualifications to become or remain a Director of the Company.
- 6.6.3 The MOI does not prescribe an age limit at which Directors are to retire.

6.7 **Remuneration of Directors**

- 6.7.1 The Company may pay remuneration to non-executive Directors for their services as Directors in accordance with a special resolution approved by Shareholders within the previous two years, as set out in section 66(8) and (9) of the Companies Act, and the power of the Company in this regard is not limited or restricted by the MOI.
- 6.7.2 Any Director who (1) serves on any executive or other committee; or (2) devotes special attention to the business of the Company; or (3) goes or resides outside South Africa for the purpose of the Company; or (4) otherwise performs or binds himself to perform services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Board may from time to time determine.
- 6.7.3 Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with the business of the Company and attending meetings of the Directors or of committees of the Directors of the Company.
- 6.7.4 In terms of the MOI, the remuneration of executive Directors (as determined by a disinterested quorum of Directors or a remuneration committee appointed by the Board) shall be in addition to or in substitution of any ordinary remuneration which a Director of the Company may receive in such capacity, as the Board may determine, and may consist of a salary or a commission on profits or dividends or both, as the Board may direct.

6.7.5 The remuneration of the Directors, paid by PFF and AEEI, for the previous financial year ended 31 August 2016, is set out below:

6.7.5.1 Salary, fees and bonuses:

Director	Salary (R)	Directors' fees (R)	Bonuses (R)	Fees for other services (R)
Reverend Dr Vukile Charles Mehana ¹	–	–	–	–
Rosemary Phindile Mosia	–	–	–	–
Salim Young ²	–	–	–	–
Khalid Abdulla ³	–	–	–	–
Mogamat Samir Saban	1 103 067	–	318 084	–
Isaiah Tatenda Bundo	616 854	–	114 832	–
Cherie Felicity Hendricks	748 308	–	200 000	–
Rushaan Isaacs	573 438	–	106 000	–
Aziza Begum Amod ⁴	–	–	–	–
Takudzwa Tanyaradzwa Hove	–	–	–	–
Clifford Leonard van der Venter	–	–	–	–
Arthur William Johnson	–	–	–	–
Lavendra Sandrigasen Naidoo	–	–	–	–
Fredelaine Elna Cindy Brand	–	–	–	–

Notes:

The JSE Listings Requirements require that the Company also discloses remuneration and benefits received or receivable by Directors of PFF from AEEI, as PFF's holding company. In this regard, the Company confirms that during the previous financial year ended 31 August 2016:

¹ Reverend Dr Vukile Charles Mehana was remunerated by AEEI in an amount of R371 000 (directors' fees). Such remuneration was not payable by PFF;

² Salim Young was remunerated by AEEI in an amount of R318 000 (directors' fees). Such remuneration was not payable by PFF;

³ Khalid Abdulla was remunerated by AEEI in an amount of R2 226 000 (salary) and R700 000 (bonus). Such remuneration was not payable by PFF; and

⁴ Aziza Begum Amod was remunerated by AEEI in an amount of R185 000 (directors' fees). Such remuneration was however not payable by PFF.

6.7.5.2 Contributions and expenses:

Director	Pension contributions (R)	Vehicle allowance (R)	Medical Group life and other (R)	Total remuneration (R)
Reverend Dr Vukile Charles Mehana	–	–	–	–
Rosemary Phindile Mosia	–	–	–	–
Salim Young	–	–	–	–
Khalid Abdulla	–	–	–	–
Mogamat Samir Saban	120 345	–	–	1 541 496
Isaiah Tatenda Bundo	72 137	–	–	803 823
Cherie Felicity Hendricks	169 251	–	12 000	1 129 559
Rushaan Isaacs	62 562	–	–	742 000
Aziza Begum Amod	–	–	–	–
Takudzwa Tanyaradzwa Hove	–	–	–	–
Clifford Leonard van der Venter	–	–	–	–
Arthur William Johnson	–	–	–	–
Lavendra Sandrigasen Naidoo	–	–	–	–
Fredelaine Elna Cindy Brand	–	–	–	–

Notes:

The JSE Listings Requirements require that the Company also discloses remuneration and benefits received or receivable by Directors of PFF from AEEI, as PFF's holding company. In this regard, the Company confirms that during the previous financial year ended 31 August 2016:

¹ Khalid Abdulla received benefits and contributions from AEEI in an amount of R294 000 (pension) and R31 000 (medical aid). These amounts were not payable by PFF.

6.7.6 *Share Incentive Scheme*

The Share Incentive Scheme has, as its main object and purpose, the incentivisation and retention of employees of the PFF Group. The terms of the Share Incentive Scheme are detailed in the PFF SIT Deed, which complies with the JSE Listings Requirements and which has been approved by the JSE. The Share Incentive Scheme was approved by Shareholders on or about 1 February 2017 and will, following the Listing Date and the registration of the PFF SIT with the Master of the High Court, be operated in terms of the PFF SIT Deed. The salient terms of the PFF SIT Deed appear in **Annexure 15**, while a copy of the document is available for inspection by Shareholders, as indicated in paragraph 22 below. The number of Shares that may be utilised for purposes of the Share Incentive Scheme will initially be limited to 2 600 000 Shares, being equal to 1% of the anticipated total issued share capital on the Listing Date, following the Share Issue.

6.7.7 Directors are not entitled to any commission and are not party to any gain or profit-sharing arrangements with the Company. Save for the emoluments set out above, no other material benefits were received by Directors for the previous financial year ended 31 August 2016.

6.7.8 No fees have been paid to any third party in lieu of Directors' fees.

6.7.9 There will be no variation in the remuneration receivable by any of the Directors as a consequence of the Listing.

6.7.10 The Company has not, in the three years preceding the date of this Pre-listing Statement, paid (or agreed to pay) any amounts (whether in cash or in securities or otherwise) or given any benefits to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("**the associate company**") or to any partnership, syndicate or other association of which he is a member ("**the associate entity**"), to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation the Company.

6.8 **Interests of Directors**

6.8.1 No Director of the Company or of any of its subsidiaries (including any person who may have resigned as a director within the last 18 months) has any material beneficial interest, directly or indirectly, in any transactions that were effected by the Company (1) during the current or immediately preceding financial year, or (2) during an earlier financial year and remain in any respect outstanding or unperformed.

6.8.2 No Director has had any material beneficial interest, either direct or indirect, in the Listing or the Private Placement and no promoter or Director of the Company is or was a member of a partnership, syndicate or other association of persons that has or had such an interest.

6.8.3 No Director has had any material beneficial interest, either direct or indirect, in the promotion of the Company. No cash or securities have been paid and no benefit has been given to any promoter within the last three years.

6.8.4 As at the Last Practicable Date, no Directors (including any Directors who have resigned during the 18 months immediately preceding the Last Practicable Date) and their associates had any direct or indirect beneficial interest in the issued share capital of the Company and there have been no changes in this regard between the end of the most recent financial year ended 31 August 2016 and the Last Practicable Date. Directors may apply to participate in the Private Placement as Invited Investors.

6.9 **Service contracts of Directors**

6.9.1 Employment agreements have been concluded with all the executive Directors. (Mogamat Samir Saban and Rushaan Isaacs during 2010 and Isaiah Tatenda Bundo, during 2011). The employment agreements concluded with them include standard termination and other provisions for contracts of this nature.

6.9.2 No restraint of trade payments have been paid or is payable to any of the Directors.

SECTION TWO – DETAILS OF PRIVATE PLACEMENT AND LISTING

7. PRIVATE PLACEMENT

7.1 Overview of the Private Placement

7.1.1 The Company will, in conjunction with the Listing, undertake the Private Placement by way of an offer to Invited Investors to subscribe for Private Placement Shares in the Company at the Placement Price of R4.50 per share. Such placement is to be implemented by the Company issuing up to approximately 117 000 000 new Shares to Invited Investors, thereby raising approximately R526.5 million for the Company.

7.1.2 The Shares issued in terms of the Private Placement shall rank *pari passu* in all respects with the remaining Shares in the Company's issued share capital, including as to voting rights and dividends.

7.1.3 There are no convertibility or redemption provisions relating to the Private Placement Shares offered in terms of the Private Placement.

7.1.4 The Private Placement Shares will only be placed and issued in Dematerialised form. No certificated Private Placement Share will be placed or issued. There will be no fractions of Private Placement Shares in terms of the Private Placement.

7.1.5 Only persons who fall within the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition costs of which are not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.

7.1.6 The proceeds of the Private Placement will be employed, *inter alia*, to provide PFF with additional capital to fund its further expansion.

7.2 Salient dates

The salient dates for the Private Placement are contained in the table appearing on the front cover of this Pre-listing Statement, as well as in the “*Salient Dates and Times*” section on page 5 of this Pre-listing Statement.

7.3 Conditions Precedent

The Listing is conditional on (i) the Company meeting the public shareholder spread requirements of the JSE and (ii) the Directors of PFF, in their sole discretion, determining that the Company has achieved an appropriate level of black shareholding. In addition, should any of these Conditions Precedent fail, the Private Placement and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against the Company or any other person as a result of the failure of the conditions.

7.4 Authorisations

7.4.1 As at the Last Practical Date, the following Shareholder resolutions relating to the creation and issue of the Private Placement Shares were passed by AEEI, as the sole Shareholder of the Company on the Last Practicable Date:

7.4.1.1 a special resolution increasing the Company’s authorised share capital to two billion Shares, was approved by Shareholders on or about 1 February 2017 and was subsequently filed with CIPC; and

7.4.1.2 special resolutions under section 41(3) and, to the extent required under section 41(1), of the Companies Act to approve the issuing of the Private Placement Shares.

7.4.2 The issue of the Private Placement Shares by the Company was approved by AEEI shareholders at the company’s general meeting on Tuesday, 24 January 2017, as the issuing of the Private Placement Shares constituted a category 1 transaction by the Company’s holding company, AEEI.

7.5 Further details of the Private Placement

Please refer to **Annexure 16** for further particulars regarding the Private Placement, including, *inter alia*, the procedures for acceptance, payment and delivery of the Private Placement Shares and the position in the event of an over-application for Private Placement Shares.

8. LISTING

8.1 Assuming that the Private Placement is successful, PFF will, following the implementation of the Private Placement, comply with the JSE Listing Requirements, in that:

8.2.1 the subscribed capital of the Company, including reserves will exceed R50 million;

8.2.2 the Company will have more than 25 million Shares in issue;

8.2.3 the Company has audited financial statements for the preceding three financial years, the last of which reported an audited profit before tax of at least R15 million for the Group; and

8.2.4 more than 20% of the issued ordinary share capital of the Company will be held by the public.

8.3 The JSE has granted the Company a listing of all its issued Shares on the JSE main board under the abbreviated name “PFF”, share code “PFF” and ISIN ZAE000238309 with effect from the commencement of trade on 2 March 2017 subject to the Company having satisfied the JSE Listings Requirements regarding the spread of public shareholders. The Company will be listed in the “Farming, Fishing & Plantations” sector.

8.4 Shareholders are advised that their Shares may only be traded on the JSE in Dematerialised form. Shareholders who wish to trade their Shares following the Listing will first need to Dematerialise their Shares into an account held at a suitable service provider. This can be either one of the CSDPs that offers a trading service or a JSE-registered Broker. The process takes a few days, depending on the volumes of certificates to be authenticated. While such Shares are undergoing Dematerialisation, the Shareholder will be unable to trade them.

8.5 As at the date of this Pre-listing Statement, no securities of the Company are listed on the JSE or on any other stock exchange.

SECTION THREE – CAPITAL

9. SHARE CAPITAL

9.1 Authorised and issued share capital

9.1.1 The authorised and issued share capital of the Company, as at the Last Practicable Date, is set out below:

	Number of Shares	R'000
Authorised share capital		
Ordinary Shares of no par value	2 000 000 000	–
Issued share capital		
Stated capital – ordinary Shares of no par value	143 000 000	–
Shares held in treasury	–	–

- 9.1.2 Following the Private Placement, the authorised and issued share capital of the Company on the Listing Date is expected to be as follows:

	Number of Shares	R'000
Authorised share capital		
Ordinary Shares of no par value	2 000 000 000	–
Issued share capital		
Stated capital – ordinary Shares of no par value	260 000 000	517 500
Shares held in treasury	–	–

- 9.1.3 As at the Last Practicable Date and following the Private Placement and the Listing:
- 9.1.3.1 no debentures had been, or will have been, created or issued by the Company;
- 9.1.3.2 all Shares in issue were and will be fully paid up and freely transferable; and
- 9.1.3.3 all Shares in issue ranked and will rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.

9.2 Rights attaching to Shares

The salient provisions in the MOI relating to the rights attaching to Shares, and the variation of such rights, appear in **Annexure 7** hereto.

9.3 Changes to share capital

Save as set out below, there have been no changes, consolidations or subdivisions of the Company's securities over the three years immediately preceding the date of this Pre-listing Statement:

- 9.3.1 a special resolution converting the Company's entire authorised and issued share capital from par value ordinary shares of R1.00 each into no par value Shares, was approved by Shareholders on or about 1 February 2017 and was subsequently filed with CIPC;
- 9.3.2 a special resolution subdividing each Share in the Company's authorised and issued ordinary share capital into 1 430 000 Shares, was approved by Shareholders on or about 1 February 2017 and was subsequently filed with CIPC; and
- 9.3.3 a special resolution increasing the Company's authorised share capital to two billion Shares, was approved by Shareholders on or about 1 February 2017 and was subsequently filed with CIPC.

9.4 Shares issued

- 9.4.1 Neither the Company, nor any of its subsidiaries have issued any shares within the three years preceding this Pre-listing Statement.
- 9.4.2 The Board has been granted a general authority to issue up to 21 450 000 Shares for cash, provided that such Shares will not be issued at a discount of more than 10% of weighted average traded price of the Company's Shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the Shares. This authority shall be valid until the next annual general meeting of the Company or for 15 months from the date of the resolution, whichever period is shorter.

9.5 Share repurchases

- 9.5.1 Neither the Company, nor any of its subsidiaries have repurchased any shares within the three years immediately preceding this Pre-listing Statement.
- 9.5.2 The Board has been granted a general authority to repurchase up to 28 600 000 Shares for cash, at a price of not more than 10% above the weighted average market price of the Company's Shares for the five business days immediately preceding the date on which the transaction is effected. This authority shall be valid until the next annual general meeting of the Company or for 15 months from the date of the resolution, whichever period is shorter.

9.6 Options and preferential rights in respect of Shares

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any Shares or any shares in any of the Company's subsidiaries.

10. MAJOR AND CONTROLLING SHAREHOLDERS

- 10.1 As at the date of this Pre-listing Statement, prior to the Private Placement and Listing, the Company is a 100% subsidiary of AEEI.
- 10.2 There has been no change in controlling shareholder(s) or trading objects of PFF and its Major Subsidiaries in the last five years prior to the Last Practicable Date.
- 10.3 Following the Private Placement, AEEI will continue to hold an anticipated 55% of the Company's issued share capital, with Invited Investors holding between them, 45% of the Company's issued share capital. No change in the controlling shareholder will occur as a result of the Private Placement and the Company will remain a subsidiary of AEEI on the Listing Date.

SECTION FOUR – FINANCIAL INFORMATION

11. HISTORICAL, *PRO FORMA* AND FORECAST FINANCIAL INFORMATION

11.1 Historical financial information of the Company

A report on the historical financial information of the Company, showing its financial results for the 2014, 2015 and 2016 financial years, is presented in **Annexure 1** and is the responsibility of the Directors, while the Independent Reporting Accountant's report thereon is included as **Annexure 2** to this Pre-listing Statement.

11.2 *Pro forma* financial effects on the Company

The consolidated *pro forma* financial effects of the Share Split and Share Issue, as set out below, are the responsibility of the Directors. The consolidated *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of the Company has been prepared and in terms of the Company's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of PFF's financial position, changes in equity and results of operations after implementation of the Share Split and Share Issue.

The consolidated *pro forma* financial effects are summarised below and should be read in conjunction with the consolidated *pro forma* statement of financial position and *pro forma* statement of comprehensive income, as set out in **Annexure 3**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto. The Independent Reporting Accountant's report on the consolidated *pro forma* financial information appears at **Annexure 4** to this Pre-listing Statement.

	Audited financial information before Share Split and Share Issue	<i>Pro forma</i> adjustment – Share Split	<i>Pro forma</i> financial information after Share Split	<i>Pro forma</i> adjustment – Share Issue	<i>Pro forma</i> financial information after Share Split and Share Issue	Change %¹
Earnings per Share (cents)	52 108 366	(52 108 330)	36	(17)	19	(52.8%)
Headline earnings per Share (cents)	52 518 037	(52 518 000)	37	(18)	19	(51.4%)
Net asset value per Share (cents)	225 480 810	(225 480 652)	158	126	284	79.7%
Tangible net asset value per Share (cents)	207 274 937	(207 274 792)	145	132	277	91.0%

Notes and assumptions:

¹ In terms of IAS 33.64, the calculation of earnings per Share is adjusted retrospectively for a share split. The percentage change is therefore based on the earnings per Share after the implementation of the Share Split.

² Shareholders are referred to the notes and assumptions to the above *pro forma* information, as detailed in Annexure 3 to this Pre-listing Statement.

11.3 Forecast financial information of the Company

The forecast financial information of the Company, as presented in **Annexure 5**, is the responsibility of the Directors. The forecast financial information is presented in a manner consistent with the basis on which the historical financial information of the Company has been prepared and in terms of the Company's accounting policies. The Independent Reporting Accountant's report on the forecast financial information appears at **Annexure 6** to this Pre-listing Statement.

12. MATERIAL MATTERS

12.1 Material changes

Save for the Private Placement contemplated in this Pre-listing Statement:

- 12.1.1 there have been no other material changes in the financial or trading position of the PFF Group since the end of its last financial year ended 31 August 2016;
- 12.1.2 there have been no other changes in the business or trading objects of the PFF Group since its incorporation; and
- 12.1.3 there have been no other major changes in the nature of property, plant and equipment and in the policy regarding the use thereof.

12.2 Material commitments, lease payments and contingent liabilities

As at the Last Practicable Date, the Company had no material commitments, lease payments or contingent liabilities.

12.3 **Material borrowings and loans receivable**

- 12.3.1 As at the Last Practicable Date, no debentures have been issued by the Company or any of its subsidiaries and no material loans have been advanced to them. The PFF Group has no material loans that are repayable within the next 12 months, save as set out in **Annexure 12**.
- 12.3.2 No debentures have been created in terms of a trust deed and no replacement debentures have been issued by the Company.
- 12.3.3 As at the Last Practicable Date:
- 12.3.3.1 save for the intergroup loans disclosed in **Annexure 12**, no material loans have been made by the PFF Group, and no loan capital is outstanding; and
- 12.3.3.2 the PFF Group has not made any loans to, or furnished any security for the benefit of, any Director or manager of the Company (or of any associate of any such Director or manager).

13. **GROUP ACTIVITIES**

13.1 **Principal immovable property owned and leased**

The situation, area and tenure, including, in the case of leasehold property, the rental and unexpired term of the leases, of the principal immovable properties occupied by the PFF Group, are detailed in **Annexure 13**.

13.2 **Inter-company financial and other transactions**

- 13.2.1 All inter-company balances between all PFF Group Companies, before elimination on consolidation, are disclosed in **Annexure 12**.
- 13.2.2 Save for the inter-company balances referred to in paragraph 13.2.1 above, there are no material inter-company financial and other transactions.

13.3 **Material acquisitions**

The PFF Group has not undertaken any material acquisitions within the last three years and has not concluded any agreements in relation to any proposed material acquisitions.

13.4 **Material property disposed of or to be disposed of**

The PFF Group has not disposed of any material property during the last three years and is not currently contemplating any material disposals.

13.5 **Working capital**

The Directors are of the opinion that the working capital available to the Group is adequate for the present requirements of the Group, that is, for a period of 12 months from the date of issue of this Pre-listing Statement.

13.6 **Promoters' and other interests**

- 13.6.1 No amounts have been paid or have accrued as payable and no benefit was given or proposed to be given within the last three years to any promoter or to any partnership, syndicate or other association of which he is or was a member.
- 13.6.2 Save for being a Shareholder of the Company, no Director or promoter has any material beneficial interest, direct or indirect, in the promotion of the Company or in any material property referred to in paragraph 13.4 above.
- 13.6.3 No commissions were paid, or accrued as payable, by the Company within the three years preceding the date of this Pre-listing Statement in respect of any underwriting.
- 13.6.4 No commissions, discounts, brokerages or other special terms have been granted by the Company within the three years preceding the date of this Pre-listing Statement in connection with the issue or sale of any securities, stock or debentures in the capital of the Company.

13.7 **Royalties**

No royalties are payable or items of a similar nature in respect of the Company or any of its subsidiaries.

13.8 **Dividends**

- 13.8.1 In terms of the MOI all unclaimed distributions (other than monetary distributions) may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of three years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company.
- 13.8.2 No arrangements exist under which future dividends are waived or are agreed to be waived.

SECTION FIVE – ADDITIONAL MATERIAL INFORMATION

14. KING CODE AND CORPORATE GOVERNANCE

Shareholders are referred to **Annexure 8**, which concerns the application of the King Code and other corporate governance principles.

15. EXCHANGE CONTROL

15.1 The following summary is intended as a guide and is therefore not comprehensive. If you are in any doubt hereto, please consult your attorney, accountant or professional advisor.

15.2 In terms of the Exchange Control Regulations:

15.2.1 a former resident of the Common Monetary Area who has emigrated, may use emigrant blocked funds to subscribe for Private Placement Shares in terms of the Private Placement detailed in this Pre-listing Statement;

15.2.2 all payments in respect of the subscriptions for Private Placement Shares by an emigrant, using emigrant blocked funds, must be made through the authorised dealer in foreign exchange controlling the blocked assets;

15.2.3 any Private Placement Shares issued pursuant to the use of emigrant blocked funds, will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios;

15.2.4 Shares subsequently re-materialised and issued in certificated form, will be endorsed “Non-Resident” and will be sent to the authorised dealer in foreign exchange through whom the payment was made; and

15.2.5 if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, for Private Placement Shares in terms of this Pre-listing Statement, emanating from emigrant blocked accounts, will be returned to the authorised dealer in foreign exchange through whom the payments were made, for credit to such applicants’ blocked accounts.

15.3 Invited Investors resident outside the Common Monetary Area should note that, where Shares are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed “Non-Resident” in terms of the Exchange Control Regulations.

15.4 Emigrants from the Common Monetary Area

15.4.1 A former resident of the Common Monetary Area who has emigrated from South Africa may use blocked Rand to subscribe for Shares in terms of the Private Placement.

15.4.2 All payments in respect of the subscription for Private Placement Shares by emigrants using blocked Rand must be made through the authorised dealer in foreign exchange controlling the block assets.

15.4.3 Statements issued to Dematerialised Shareholders will be restrictively endorsed as “NON-RESIDENT”.

15.4.4 If applicable, refund monies in respect of unsuccessful applications, emanating from blocked Rand accounts, will be returned to the authorised dealer administering such blocked Rand accounts for the credit of such applicant’s blocked Rand account.

15.4.5 No residents of the Common Monetary Area may, either directly or indirectly, be permitted to receive an allocation as employees of any offshore subsidiaries.

15.5 Applicants resident outside the Common Monetary Area

15.5.1 In terms of the Exchange Control Regulations of South Africa, non-residents of the Common Monetary Area to whom the offer under the Private Placement is addressed and made as Invited Investors, may apply for Private Placement Shares under the Private Placement, provided that payment is received in foreign currency or in Rand from a non-resident account. All applications by non-residents in respect of the above must be made through an authorised dealer in foreign exchange. Shares subsequently re-materialised and issued in certificated form, will be endorsed “Non-Resident”.

15.5.2 A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or legal consent is required and/or whether any other formality must be observed to enable an application to be made in terms of the Private Placement.

15.5.3 This Pre-listing Statement is accordingly not a Private Placement in any area or jurisdiction in which it is illegal to make such an offer. In such circumstances this Pre-listing Statement is provided for information purposes only.

16. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no Governmental protection or investment encouragement law affecting the Company or its subsidiaries.

17. LITIGATION

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Company is aware, which may have, or have during the 12 months preceding the Last Practicable Date had, a material effect on the financial position of the Group.

18. **MATERIAL CONTRACTS**

Save as otherwise provided herein, no material contracts (including no restrictive funding arrangements) have been entered into by the Group, other than in the ordinary course of business, (1) within the two years prior to the date of this Pre-listing Statement or, (2) at any other time where such agreement contains an obligation or settlement that is material to the Company as at the date of this Pre-listing Statement.

19. **EXPERTS' CONSENTS**

The Independent Reporting Accountant and each of the experts, whose names appear in the "Corporate Information" section of this Pre-listing Statement, have given and have not, prior to the formal approval of this Pre-listing Statement by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, in this Pre-listing Statement.

20. **EXPENSES**

The Company's preliminary and issue expenses relating to the Private Placement and the Listing for the previous three years, which have been incurred or which are expected to be incurred, including the fees payable to professional advisers, are anticipated to amount to approximately R12 709 357, excluding VAT, and include the following:

Expenses	R
Sponsor – PSG Capital	1 500 000
Placement fee – PSG Capital	5 000 000
Placement fee – AEEI Corporate Finance Proprietary Limited ¹	4 000 000
Independent Reporting Accountant – Grant Thornton	200 000
Legal costs – Cliffe Dekker Hofmeyr	850 000
Legal advice (MLRA) – Dawsons	100 000
JSE documentation fees	159 000
JSE listing fees (listing of Issued Shares)	325 357
Printing and postage costs – Greymatter & Finch	250 000
Transfer secretaries – Link Market Services	100 000
Announcements and publication	125 000
Contingency	100 000
Estimated total	12 709 357

Notes:

¹ To the extent that capital is raised by AEEI Corporate Finance in respect of the Private Placement, a placement fee will be due to AEEI Corporate Finance.

21. **RESPONSIBILITY STATEMENT**

The Directors, whose names are set out in the "Corporate Information" section of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained in this Pre-listing Statement which relates to the Company and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

22. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection at the registered office of the Company and at the Stellenbosch and Johannesburg offices of PSG Capital at the addresses referred to in the "Corporate Information" section of this Pre-listing Statement, during normal office hours from the date of issue of this Pre-listing Statement until the Listing Date:

22.1.1 the MOI of the Company and the memorandum of incorporation of its Major Subsidiaries;

22.1.2 the audited annual financial statements of the Company for the 2014, 2015 and 2016 financial years;

22.1.3 the following reports by the Independent Reporting Accountant:

22.1.3.1 Independent Reporting Accountant's report on the historical financial information of the Company, as reproduced at Annexure 2 of this Pre-listing Statement;

22.1.3.2 Independent Reporting Accountant's report on the pro forma financial information of the Company, as reproduced at Annexure 4 of this Pre-listing Statement;

22.1.3.3 Independent Reporting Accountant's report on the forecast financial information of the Company, as reproduced at Annexure 6 of this Pre-listing Statement;

22.1.4 the employment agreements of the executive Directors;

22.1.5 the services agreement, referred to in paragraph 5.2;

22.1.6 written consent letters by experts and advisers, as referred to in paragraph 19 above; and

22.1.7 a copy of this Pre-listing Statement and all other annexures hereto.

SIGNED AT CAPE TOWN ON 10 FEBRUARY 2017 BY REVEREND DR VUKILE CHARLES MEHANA ON BEHALF OF ALL THE DIRECTORS OF THE COMPANY, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS



Reverend Dr Vukile Charles Mehana

Rosemary Phindile Mosia

Khalid Abdulla

Salim Young

Mogamat Samir Saban

Isaiah Tatenda Bundo

Cherie Felicity Hendricks

Rushaan Isaacs

Aziza Begum Amod

Takudzwa Tanyaradzwa Hove

Clifford Leonard van der Venter

Arthur William Johnson

Lavendra Sandrigasen Naidoo

Fredelaine Elna Cindy Brand

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES FOR THE YEARS ENDED 31 AUGUST 2014, 31 AUGUST 2015 AND 31 AUGUST 2016

INTRODUCTION

The historical financial information of Premier Food and Fishing Limited (previously known as Sekunjalo Industrial Holdings Proprietary Limited) and its subsidiaries ("PFF Group") set out below has been extracted from the consolidated audited annual financial statements of PFF and its subsidiaries for the years ended 31 August 2014, 31 August 2015 and 31 August 2016. The annual financial statements were audited by Grant Thornton Cape Inc. and reported on without qualification.

The historical financial information of PFF and its subsidiaries is the responsibility of the Directors of PFF and its subsidiaries.

The historical financial information of PFF and its subsidiaries for the years ended 31 August 2014, 31 August 2015 and 31 August 2016 were authorised for issue on 19 October 2016 by the Board of Directors.

COMMENTARY

1. NATURE OF BUSINESS

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

2. FINANCIAL RESULTS

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

Group revenues increased by 15%, from R348.9 million in FY15 to R401.7 million in FY16 (FY14: R315.1 million). Revenue growth was mainly due to increases in sales volumes in the Abalone, Squid and Pelagic sectors, as well as increases in market prices and the weaker exchange rate.

Group profit before taxation increased by R10.4 million to R73.5 million in FY16, from R63.1 million in FY15 (FY14: R42.6 million), representing an annual compound growth rate of 31.4% for the years FY14 to FY16. The increase in FY16 was mainly due to increased catch rates in the Lobster, Pelagic, Hake and Squid sectors. Management's continued focus on operational efficiencies and cost management resulted in the group maintaining its profit before taxation margin of 18% in FY16 (FY15: 18.0% and FY14: 14%).

Strong operational performance and cash generated from operations during FY15 and FY16 resulted in an increase in cash and cash equivalents from a net overdraft position of R4.4 million in FY15 to a cash positive position of R 23.5 million in FY16. Bank borrowings increased by R12 million in FY16 as a result of new loans used to finance the construction of a packing facility and investment in Solar energy in the Abalone division, as well as a new vessel in the Lobster division.

3. DIVIDENDS

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

4. EVENTS AFTER THE REPORTING PERIOD

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

5. DIRECTORS

The Directors in office as at 31 August 2016 were as follows:

Name

K Abdulla

AB Amod

CF Hendricks

6. SECRETARY

The company secretary is CF Hendricks of:

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

7. HOLDING COMPANY

The Group's holding company is African Equity Empowerment Investments Limited which holds 100% (2015 and 2014: 100%) of the Group's equity. African Equity Empowerment Investments Limited is listed on the JSE Limited.

HISTORICAL FINANCIAL INFORMATION

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

Consolidated Statement of Financial Position as at 31 August 2016

	Notes	2016 R'000	2015 R'000	2014 R'000
Assets				
Non-Current Assets				
Property, plant and equipment	3	124 596	129 243	120 651
Goodwill	4	18 165	18 165	18 165
Intangible assets	5	41	242	486
Loans to Group companies	8	78 396	60 417	35 534
Deferred tax	9	64	4 817	2 748
		221 262	212 884	177 584
Current Assets				
Inventories	10	42 379	26 491	19 742
Other financial assets	11	1 065	1 107	604
Current tax receivable		154	154	154
Trade and other receivables	12	48 270	47 983	35 324
Biological assets	13	48 169	46 162	36 014
Cash and cash equivalents	14	23 516	4 302	14 495
		163 553	126 199	106 333
Total Assets		384 815	339 083	283 917
Equity and Liabilities				
Equity				
Share capital	15	–	–	–
Reserves		8 014	8 014	8 014
Retained earnings		217 466	189 358	153 120
		225 480	197 372	161 134
Liabilities				
Non-Current Liabilities				
Other financial liabilities	16	10 764	3 356	4 750
Operating lease liability		2 065	2 194	1 686
Post-employment medical costs	17	1 153	1 328	1 372
Deferred tax	9	71 889	67 289	61 783
		85 871	74 167	69 591
Current Liabilities				
Loans from Group companies	8	1 478	–	–
Other financial liabilities	16	3 280	826	920
Current tax payable		8 119	4 937	3 661
Trade and other payables	18	53 243	46 371	42 016
Provisions	19	7 344	6 681	6 595
Bank overdraft	14	–	8 729	–
		73 464	67 544	53 192
Total Liabilities		159 335	141 711	122 783
Total Equity and Liabilities		384 815	339 083	283 917
Net asset value per share – Rand		2 254 808	1 973 724	1 611 347
Net tangible asset value per share – Rand		2 072 749	1 789 656	1 424 838

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

		2016	2015	2014
	Notes	R'000	R'000	R'000
Revenue	20	401 692	348 874	315 123
Cost of sales		(239 098)	(213 017)	(201 837)
Gross profit		162 594	135 857	113 286
Other income		2 647	3 090	3 252
Operating expenses		(100 085)	(80 412)	(73 948)
Operating profit	21	65 156	58 535	42 590
Investment revenue	22	11 349	6 496	2 483
Finance costs	24	(2 986)	(1 937)	(2 447)
Profit before taxation		73 519	63 094	42 626
Taxation	25	(21 411)	(11 856)	(11 925)
Profit for the year		52 108	51 238	30 701
Other comprehensive income		–	–	–
Total comprehensive income for the year		52 108	51 238	30 701
Earnings per share information:				
Basic earnings per share (Rand)	30	521 084	512 378	307 001
Diluted earnings per share (Rand)	30	521 084	512 378	307 001

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

	Share Capital	Reserves	Retained earnings	Total equity
	R'000	R'000	R'000	R'000
Balance at 1 September 2013	–	8 014	122 419	130 433
Profit for the year	–	–	30 701	30 701
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	30 701	30 701
Balance at 1 September 2014	–	8 014	153 120	161 134
Profit for the year	–	–	51 238	51 238
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	51 238	51 238
Dividends	–	–	(15 000)	(15 000)
Total distributions to owners of company recognised directly in equity	–	–	(15 000)	(15 000)
Balance at 1 September 2015	–	8 014	189 358	197 372
Profit for the year	–	–	52 108	52 108
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	52 108	52 108
Dividends	–	–	(24 000)	(24 000)
Total distributions to owners of company recognised directly in equity	–	–	(24 000)	(24 000)
Balance at 31 August 2016	–	8 014	217 466	225 480

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

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

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act. The annual financial statements have been prepared on the historical cost basis, except where otherwise stated, and incorporate the principal accounting policies set out below. These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

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

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

Business combinations

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

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

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

Interest in joint ventures

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

Jointly controlled operations

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

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

1.2 Investments in subsidiaries

Separate Financial Statements

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

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

1.3 Significant judgements

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

Trade receivables and loans and receivables

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

Property, plant and equipment

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

Intangible assets

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

Biological assets

Abalone is weighed and graded into specific different size categories at regular intervals. A predicted growth rate for the abalone is determined based on the actual weight of the abalone which has been weighed and graded at the birth date of the abalone. As at the reporting date, a combination of graded figures and predicted figures (those awaiting their latest grade interval) is then used to determine the weight and graded size categories of the abalone. The value of the stock is then determined based on the market value of each grading size category for the abalone. All selling costs are excluded from fair values.

Impairment testing

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

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

Assumptions applied for impairment testing of goodwill:

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

Investments in subsidiaries

Valuation method

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

Application of Methodology

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

Terminal value growth rates

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

Terminal values

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

Discount Rate

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

Risk free rate

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

Beta

The equally-weighted average of the relevant industry betas together with professional judgement is used. The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the Group's recent market risk.

Market Risk Premium

A market risk premium was utilised in all valuations.

Value of Equity

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

Fair value determination

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting period. Discounted cash flows are used to determine fair value for the investments in subsidiary companies.

The use of a discounted cash flow analysis requires the estimation of a number of significant components, including the future expected cash flows and the weighted average cost of capital used to perform the discounting. Many of these factors may have a material impact on the valuation.

Provisions

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

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

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

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

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

1.5 Biological assets

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

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

1.6 Intangible assets

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

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

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

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

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

1.7 Financial instruments

Initial recognition and measurement

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

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

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

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

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

Loans to/from Group companies

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

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

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

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

Loans from Group companies are measured at amortised cost.

Trade and other receivables

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

Trade and other receivables are classified as loans and receivables.

1.8 Tax

Current tax assets and liabilities

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

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

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

1.9 Leases

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

Operating leases – lessor

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

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

Operating leases – lessee

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

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

1.10 Inventories

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

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

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

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

1.11 Impairment of assets

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

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

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

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

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

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

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

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

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

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

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

1.12 Employee benefits

Post-employment medical aid cost

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

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

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

1.13 Provisions

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

1.14 Revenue

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

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

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;

- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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

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

1.15 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

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

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

3. **PROPERTY, PLANT AND EQUIPMENT**

	2016		
	Cost	Accumulated depreciation	Carrying value
Land	2 632	–	2 632
Buildings	3 133	(1 031)	2 102
Leasehold property	15 594	(11 966)	3 628
Plant and machinery	135 282	(94 299)	40 983
Furniture and fixtures	2 367	(1 906)	461
Motor vehicles	4 235	(3 243)	992
Office equipment	714	(574)	140
Computer equipment	2 229	(1 720)	509
Vessels	171 174	(98 025)	73 149
Total	337 360	(212 764)	124 596

Reconciliation of property, plant and equipment – 2016

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

Reconciliation of property, plant and equipment – 2015

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

Reconciliation of property, plant and equipment – 2014

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

2015				2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	2 632	–	2 632	2 632	–	2 632
	2 608	(916)	1 692	1 199	(857)	342
	15 583	(11 503)	4 080	15 578	(11 062)	4 516
	133 074	(90 579)	42 495	129 509	(91 243)	38 266
	2 228	(1 888)	340	2 135	(1 852)	283
	3 842	(3 039)	803	3 379	(2 901)	478
	665	(548)	117	655	(536)	119
	2 087	(1 468)	619	1 946	(1 251)	695
	167 185	(90 720)	76 465	154 954	(81 634)	73 320
	329 904	(200 661)	129 243	311 987	(191 336)	120 651

Pledged as security

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

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

Refer to note 16 for the loan balances, instalment amounts, interest rate charged and maturity dates of the loans.

Details of property

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

4. GOODWILL

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

Goodwill arose from the acquisition of an additional 50% shareholding in Premfresh Seafoods Proprietary Limited in the 2007 financial year and the acquisition of 100% shareholding in Marine Growers Proprietary Limited in the 2008 financial year. Premfresh Seafoods Proprietary Limited is now 100% held by Premier Fishing SA Proprietary Limited. The remainder of the goodwill balance relates to the acquisition of 100% shareholding in Sekunjalo Food and Fishing Proprietary Limited and Sekfish Investments Proprietary Limited during 1998.

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

Impairment testing

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

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

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

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

Allocation of goodwill to cash-generating units

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

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

5. **INTANGIBLE ASSETS**

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

Reconciliation of intangible assets – 2016

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

Reconciliation of intangible assets – 2015

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

Reconciliation of intangible assets – 2014

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

Other information

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

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

6. **INVESTMENTS IN SUBSIDIARIES**

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

Group

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

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

Company

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

Fair value information

Refer to note 36 for the fair value information.

Reconciliation of investments in subsidiaries – Company

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

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

7. JOINT ARRANGEMENTS

Joint operations

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

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

The Premier – BCP Hake Joint Venture is a jointly controlled operation with Blue Continental Products Proprietary Limited. The operation is engaged in the catching, processing and marketing of Premier Fishing SA Proprietary Limited's hake fishing rights together with that of the joint operation partner.

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

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

Joint venture

The following table lists the joint venture in the Group:

Name of company	% ownership interest			carrying amount		
	2016	2015	2014	2016	2015	2014
Premier Select Proprietary Limited	50%	50%	50%	–	–	–

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

Summarised Statement of Financial Position	2016	2015	2014
Assets			
Non-current	19	25	31
Current			
Cash and cash equivalents	87	88	89
Trade and other receivables	107	107	107
Total current assets	194	195	196
Liabilities			
Non-current			
Loans from shareholders	722	722	703
Total non-current liabilities	722	722	703
Current			
Trade payables	45	45	45
Total current liabilities	45	45	45
Total net assets	(554)	(547)	(521)
Reconciliation of net assets to equity accounted investments in joint ventures	2016	2015	2014
Interest in joint venture at percentage ownership	(277)	(273)	(260)
Cumulative unrecognised losses	277	273	260
Previously recognised loss	–	–	–
Carrying value of investment in joint venture	–	–	–

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

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

	2016	2015	2014
Bloudam Joint Venture Operation			
Revenue	729	878	705
Cost of sales	(83)	(103)	(61)
Operating expenses	(1 256)	(1 456)	(1 218)
Total comprehensive loss	(610)	(681)	(574)
Share of total comprehensive loss	(232)	(259)	(218)
Current Liabilities			
Other financial liabilities	(537)	(615)	(439)
Trade and other payables	(73)	(66)	(134)
Total current liabilities	(610)	(681)	(573)
Net assets	(610)	(681)	(573)
Share of net assets	(232)	(259)	(218)

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

8. LOANS TO (FROM) GROUP COMPANIES

Fellow subsidiaries

espAfrika Proprietary Limited	(1 478)	–	–
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Interest is charged at a rate of 7% per annum. The loan is unsecured and is repayable on demand.

Joint Ventures

Premier Select Proprietary Limited	397	397	379
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The loan is interest free and unsecured. Premier Fishing SA Proprietary Limited has granted an unconditional right to Premier Select Proprietary Limited to defer repayment of the outstanding amounts for a period of at least 12 months from the statement of financial position date.

Holding companies

African Equity Empowerment Investments Limited – loan 1	62 092	24 330	–
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Interest is charged at the prime bank overdraft rate plus 5%. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.

African Equity Empowerment Investments Limited – loan 2	15 907	35 690	35 155
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Interest is charged at the prime bank overdraft rate plus 1.5%. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.

Total loans payable	(1 478)	–	–
Total loans receivable	78 396	60 417	35 534
Non-current assets	78 396	60 417	35 534
Current liabilities	(1 478)	–	–
Net	76 918	60 417	35 534

Credit quality of loans to Group companies

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

Fair value of loans to and from Group companies

The carrying value of the loans approximate fair value.

9. **DEFERRED TAX**

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

Recognition of deferred tax asset

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

10. **INVENTORIES**

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

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

11. **OTHER FINANCIAL ASSETS**

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

The loans are unsecured and interest free.

Fair value of loans and receivables	1 065	1 107	604
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12. **TRADE AND OTHER RECEIVABLES**

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

Trade and other receivables pledged as security

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

Credit quality of trade and other receivables

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

	2016	2015	2014
Fair value of trade receivables			
Trade receivables	32 400	26 861	26 387

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

Trade receivables past due but not impaired

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

Age analysis of trade receivables:

	2016	2015	2014
Current	20 711	21 993	19 739
0 – 30 days	4 023	1 960	3 245
30 – 60 days	450	627	2 884
60 – 90 days	5 940	166	358
Over 90 days	1 276	2 115	161
Total	32 400	26 861	26 387

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

	2016	2015	2014
Rand	21 890	19 038	16 011
US dollar	10 510	7 785	10 376
Euro	–	38	–
Total	32 400	26 861	26 387

13. **BIOLOGICAL ASSETS**

	2016	2015	2014
Abalone	48 169	46 162	36 014

Reconciliation of biological assets – 2016

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

Reconciliation of biological assets – 2015

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

Reconciliation of biological assets – 2014

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

Non-Financial information

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

Methods and assumptions used in determining fair value

For fair value information refer to note 34.

14. **CASH AND CASH EQUIVALENTS**

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

The bank overdrafts in the Group are secured by:

- Unlimited suretyship by Premier Fishing SA Proprietary Limited;
- Unlimited suretyship by Premfresh Seafoods Proprietary Limited, supported by a cession of loan accounts;
- Unlimited suretyship by Marine Growers Proprietary Limited, supported by a cession of loan accounts;
- Unlimited suretyship by African Equity Empowerment Investments Limited;
- Cession of debtors and foreign currency accounts;
- Negative pledge undertaking not to increase external borrowing any higher;
- First Maritime Bond of R 1 200 000 registered over fishing vessel Lubbetjie;
- First Maritime Bond of R1 900 000 registered over fishing vessel Mizpah;
- Special Notarial Bond Number BN23802/2008 for R 3 450 000 over fishing vessels Southern Knight and Southern Horizon;
- General Notarial Bond Number BN23803/2008 for R 50 000 000 over stock, moveable assets, plants and equipment and vessel equipment;
- First Maritime Bond for R40 959 500 by Premier Fishing SA Proprietary Limited over marine vessels with the carrying value of R 37 157 619;
- First Continuing Covering Mortgage Bond Number B28343/2008 for R 10 000 000 over Erf 11 St Helena Bay held under Deed of Transfer Number T46847/2002;
- Second Maritime Bond of R 4 400 000 registered over fishing vessel Lubbetjie;
- Second Maritime Bond of R 6 100 000 registered over fishing vessel Mizpah;
- Cession of fire and sasria policy for fishing vessels with a carrying value of R 37 157 619;
- Guarantees are as follows: Nedbank: R182 000
- Other securities: Cession of Nedbank call accounts and agreement to set off current account and foreign advance accounts.

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

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

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

15. SHARE CAPITAL

Authorised			
1 000 Ordinary shares of R1.00 each	1	1	1
Issued			
100 Ordinary shares of R1.00 each	–	–	–

16. OTHER FINANCIAL LIABILITIES

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

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

- R 3 229;
- R 5 319;
- R 6 767;
- R 18 856;
- R 26 653; and
- R 35 528 ending on 30 November 2020.

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

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

	2016	2015	2014
Secured by motor vehicles with a carrying value of R495 429 (2015: R307 530) and vessels with a carrying of R15 213 236 (2015: R14 530 686).			
ABSA Bank Limited – Revolving loan	1 373	1 980	2 702
The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R56 632 ending on 31 August 2017. The loan was used in the purchase of Marine Growers Proprietary Limited by Premier Fishing SA Proprietary Limited.			
ABSA Bank Limited – Project Finance	11 183	–	–
The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R203 333 ending on 31 March 2021. African Equity Empowerment Investments Limited has provided a limited guarantee for the loan to ABSA Bank Limited.			
Netsurit Technology Rentals Proprietary Limited	30	147	320
The interest rate charged on the loan at 31 August 2016 is 10.50%. The loan is repayable in monthly instalments of R20 962 ending 31 October 2016. The loan was secured by computer equipment with a carrying value of R185 628 (2015: R282 477).			
Premier Seacat Joint Venture	9	–	–
The loan is interest free, unsecured and repayable on demand.			
Bloudam Joint Venture	–	–	18
The loan is interest free, unsecured and repayable on demand.			
Total	14 044	4 182	5 670
Non-current liabilities	10 764	3 356	4 750
Current liabilities	3 280	826	920
Total	14 044	4 182	5 670

17. **POST-EMPLOYMENT MEDICAL COSTS**

	2016	2015	2014
Post-employment medical costs	1 153	1 328	1 372
Opening balance	1 328	1 372	1 782
Decrease in provision for medical aid costs	(176)	(44)	(410)
Closing balance	1 153	1 328	1 372

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

18. **TRADE AND OTHER PAYABLES**

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

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

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

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

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

19. **PROVISIONS**

Provisions	7 344	6 681	6 595
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Reconciliation of provisions – 2016

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

Reconciliation of provisions – 2015

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

Reconciliation of provisions – 2014

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

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

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

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

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

20. REVENUE

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

21. OPERATING PROFIT

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

	2016	2015	2014
Interest from the holding company	9 992	5 786	2 226
Management fee expense to the holding company	13 284	12 513	11 565
Loss on sale of property, plant and equipment	569	729	76
Loss (profit) on exchange differences	521	(2 610)	(2 168)
Amortisation of intangible assets	201	244	294
Depreciation on property, plant and equipment	13 407	14 654	15 200
Employee costs	57 213	54 382	51 957
Fair value (gain) loss on biological assets	(2 007)	(10 148)	5 784

22. INVESTMENT REVENUE

	2016	2015	2014
Interest income			
Group companies	9 992	5 786	2 226
Bank	695	309	152
Quota holders	662	401	105
Total	11 349	6 496	2 483

23. FAIR VALUE ADJUSTMENTS

24. **FINANCE COSTS**

	2016	2015	2014
Group companies	156	–	202
Bank	2 488	1 895	2 239
Late payment of tax	342	42	6
Total	2 986	1 937	2 447

25. **TAXATION**

Major components of the tax expense

Current

South African normal taxation	11 942	8 418	6 383
Local income tax – recognised in current tax for prior periods	116	–	(10)
Total current tax expense	12 058	8 418	6 373

Deferred

Originating and reversing temporary differences	8 885	3 438	5 320
Arising from prior period adjustments	–	–	232
Changes in tax rate	468	–	–
Total deferred tax expense	9 353	3 438	5 552
Total tax expense	21 411	11 856	11 925

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate:

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

26. **CASH GENERATED FROM OPERATIONS**

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

27. **TAX PAID**

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

28. **AUDITORS' REMUNERATION**

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

29. **COMMITMENTS**

Authorised capital expenditure

	2016	2015	2014
Not yet contracted for and authorised by Directors	12 519	8 060	11 990

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

Operating leases – as lessee

Minimum lease payments due (contractual amounts)

	2016	2015	2014
• within one year	8 349	7 657	7 023
• in second to fifth year inclusive	7 273	15 622	22 941
• later than five years	–	–	339
Total	15 622	23 279	30 303

Minimum lease payments due (smoothed amounts)

• within one year	7 529	7 529	7 529
• in second to fifth year inclusive	6 030	13 559	20 863
• later than five years	–	–	225
Total	13 559	21 088	28 617

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

30. **EARNINGS PER SHARE**

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

	2016	2015	2014
Basic earnings per share (Rand)	521 084	512 378	307 001
Diluted earnings per share (Rand)	521 084	512 378	307 001

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2016	2015	2014
Earnings attributable to owners of Sekunjalo Industrials Holdings Proprietary Limited	52 108	51 238	30 701
Weighted average number of shares	100	100	100

Headline earnings per share

Headline earnings are determined as follows:

	2016	2015	2014
Earnings attributable to owners of Sekunjalo Industrials Holdings Proprietary Limited	52 108	51 238	30 701
Adjusted for:			
Effect of loss on disposal of property, plant and equipment gross of tax	569	729	75
Taxation effect	(159)	(204)	(21)
Headline earnings	52 518	51 763	30 755

	2016	2015	2014
Headline earnings per share (Rand)	525 180	517 628	307 554
Diluted headline earnings per share (Rand)	525 180	517 628	307 554

31. **SUBSEQUENT EVENTS**

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

32. **RELATED PARTIES**

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

Related party balances

	2016	2015	2014
Loans receivable from related parties			
Premier Select Proprietary Limited	397	397	379
African Equity Empowerment Investments Limited	77 999	60 020	35 155
	78 396	60 417	35 534
Loans payable to related parties			
espAfrika Proprietary Limited	1 478	–	–
Prepaid expenses to related parties			
Independent News and Media Proprietary Limited	858	577	–
Amounts receivable from related parties			
African Equity Empowerment Investments Limited	369	274	–
African News Agency Proprietary Limited	3	4	–
Bioclones Proprietary Limited	23	85	27
Emergent Energy Proprietary Limited	2	–	–
espAfrika Proprietary Limited	137	137	103
Health Systems Technologies Proprietary Limited	12	741	703
Independent News and Media Proprietary Limited	259	42	–
Insights Publishing Proprietary Limited	51	–	–
Magic 828 Proprietary Limited	125	–	–
Ribotech Proprietary Limited	90	69	–
Sekpharma Proprietary Limited	1	1	7
Sekunjalo Health Care Limited	81	–	–
Tripos Tourism Investments Proprietary Limited	16	10	–
Wynberg Pharmaceuticals Proprietary Limited	4	–	–
	1 173	1 363	840

	2016	2015	2014
Amounts payable to related parties			
African Equity Empowerment Investments Limited	6 817	5 916	3 614
Cape Sunset Villas Close Corporation	333	–	108
Emergent Energy Proprietary Limited	700	–	–
Wynberg Pharmaceuticals Proprietary Limited	27	–	3
	7 877	5 916	3 725
Income received in advance from related parties			
Independent News and Media Proprietary Limited	1 208	699	–
Related party transactions			
Interest received from related parties			
African Equity Empowerment Investments Limited	9 992	4 468	2 226
Interest paid to related parties			
espAfrika Proprietary Limited	–	–	–
African Equity Empowerment Investments Limited	156	–	202
Purchases from related parties			
Emergent Energy Proprietary Limited	–	5 996	–
Health Systems Technologies	41	41	–
Rent received from related parties			
espAfrika Proprietary Limited	–	30	30
Independent News and Media Proprietary Limited	5 470	803	–
Management fees paid to related parties			
African Equity Empowerment Investments Limited	13 284	12 513	11 565
HR Fee income received from related parties			
African News Agency Proprietary Limited	43	16	–
African Technology and Media Holdings Proprietary Limited	12	–	–
Bioclones Proprietary Limited	16	11	13
Emergent Energy Proprietary Limited	6	4	11
Health Systems Technologies Proprietary Limited	128	133	135
Independent News and Media Proprietary Limited	129	82	18
Independent Online Property Joint Venture Proprietary Limited	19	–	–
Insights Publishing Proprietary Limited	9	–	–
Magic 828 Proprietary Limited	44	–	–
Ribotech Proprietary Limited	8	10	14
Sekunjalo Technology Solutions Limited	15	15	14
Sekpharma Proprietary Limited	3	2	12
Tripos Tourism Investments Proprietary Limited	30	9	–
Computer expenses paid to related parties			
Health Systems Technologies Proprietary Limited	41	41	41
Rent paid to related parties			
Cape Sunset Villas Close Corporation	570	570	570
Subscription expense from related parties			
Independent News and Media Proprietary Limited	4 421	721	–
Compensation to Directors and other key management			
Salaries	5 059	4 997	4 670
Travel allowance	29	–	–
Bonus	1 068	1 052	839
Medical aid contributions	59	64	62
Pension and provident fund contributions	607	587	537
Total	6 822	6 700	6 108

33. GROUP SEGMENTAL ANALYSIS

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

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

- Fishing
 - Lobster
 - Pelagics
 - Hake
 - Squid
- Aquaculture – Abalone
 - Seagro
- Services
 - Processing and marketing
 - Cold storage.

Segment	Segment revenue			Segment profit		
	2016	2015	2014	2016	2015	2014
Lobster	190 110	182 268	175 127	46 446	41 016	42 197
Pelagics	93 670	71 660	56 225	33 406	18 726	12 147
Hake	31 110	24 861	27 787	9 794	6 254	7 867
Squid	23 541	13 074	5 536	4 360	917	(1 223)
Abalone	39 697	32 415	37 528	13 015	8 976	14 197
Cold storage	8 720	7 934	8 283	303	922	2 041
Seagro	2 717	2 909	2 727	701	817	455
Processing and marketing	15 959	16 570	5 067	3 860	5 508	3 863
	405 524	351 691	318 280	111 885	83 136	81 544
Less inter segmental sales	(3 832)	(2 817)	(3 157)			
Administration and support services				(48 864)	(34 848)	(33 170)
Fair value gains (losses)				2 007	10 148	(5 784)
Interest income				11 477	6 596	2 483
Finance costs				(2 986)	(1 938)	(2 447)
Total	401 692	348 874	315 123	73 519	63 094	42 626

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

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

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

	2016	2015	2014
Segment liabilities			
Lobster	6 421	4 666	2 592
Pelagics	7 625	6 219	6 563
Hake	3 711	1 803	1 995
Squid	371	190	316
Abalone	3 440	3 628	4 476
Processing and marketing	9 969	7 856	5 921
Administration and support services	55 908	50 058	39 136
	87 445	74 420	61 000
Unallocated	71 890	67 291	61 783
Consolidated total liabilities	159 335	141 711	122 783

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

	Depreciation and amortisation			Additions to property, plant and equipment		
	2016	2015	2014	2016	2015	2014
Segment						
Lobster	6 366	6 094	6 166	2 930	9 902	11 526
Pelagics	4 959	7 137	7 102	2 711	4 762	2 901
Squid	457	469	443	805	223	230
Abalone	1 237	502	342	2 489	8 939	703
Cold storage	77	132	555	234	–	352
Seagro	252	270	571	–	–	–
Processing and marketing	5	49	52	–	–	7
Administration and support services	254	251	263	126	256	269
Total	13 607	14 899	15 494	9 295	24 082	15 988

Geographical information

The Group operates in South Africa.

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

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

Information about major customers

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

34. DIRECTORS' EMOLUMENTS – 2016

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

Directors' emoluments – 2015

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

Directors' emoluments – 2014

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

The Directors' emoluments were paid by other Group companies.

35. RISK MANAGEMENT

Financial risk management

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

Credit risk

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

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

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

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

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

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

Liquidity risk

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

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

MATURITY PROFILES

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

At 31 August 2016

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

At 31 August 2015

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

At 31 August 2014

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

The Group has no significant concentration of liquidity risk.

Market risk

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

(a) Currency risk

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

(b) Interest rate risk

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

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

The Group has no significant concentration of interest rate risk.

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

Cash flow interest rate risk

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

Foreign exchange risk

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

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

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

Foreign currency exposure at statement of financial position date

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

Exchange rates used for conversation of foreign items were:

	2016	2015	2014
USD	14.44	13.28	10.59
EUR	15.88	14.93	13.95

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

Risk arising from biological assets

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

36. FAIR VALUE INFORMATION

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

Levels of fair value measurements

Level 3 – Recurring fair value measurements

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

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

Reconciliation of assets and liabilities measured at level 3

	Opening balance	Sales	Changes in fair value, births and deaths	Closing balance
2016				
Abalone	46 162	(41 223)	43 230	48 169
			Changes in fair value, births and deaths	Closing balance
2015				
Abalone	36 014	(31 690)	41 838	46 162

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

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

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

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

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

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

Biological assets – Abalone

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

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

Valuation processes applied by the Group

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

37. CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial instruments – 2016		Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Assets	Notes					
Non-Current Assets		78 396	–	–	142 866	221 262
Property, plant and equipment	3	–	–	–	124 596	124 596
Goodwill	4	–	–	–	18 165	18 165
Intangible assets	5	–	–	–	41	41
Loans to Group companies	8	78 396	–	–	–	78 396
Deferred tax	9	–	–	–	64	64
Current Assets		56 981	–	–	106 572	163 553
Inventories	10	–	–	–	42 379	42 379
Other financial assets	11	1 065	–	–	–	1 065
Current tax receivable		–	–	–	154	154
Trade and other receivables	12	32 400	–	–	15 870	48 270
Biological assets	13	–	–	–	48 169	48 169
Cash and cash equivalents	14	23 516	–	–	–	23 516
Total Assets		135 377	–	–	294 438	348 815
Equity and Liabilities						
Equity		–	–	–	225 480	225 480
Share capital	15	–	–	–	–	–
Reserves		–	–	–	8 014	8 014
Retained income		–	–	–	217 466	217 466
Non-Current Liabilities		–	10 764	2 065	73 042	85 871
Other financial liabilities	16	–	10 764	–	–	10 764
Operating lease liability		–	–	2 065	–	2 065
Post-employment medical costs	17	–	–	–	1 153	1 153
Deferred tax	9	–	–	–	71 889	71 889
Current Liabilities		–	25 573	–	44 026	73 464
Loans from Group companies	8	–	1 478	–	–	1 478
Other financial liabilities	16	–	3 280	–	–	3 280
Current tax payable		–	–	–	8 119	8 119
Trade and other payables	18	–	20 815	–	32 429	53 244
Provisions	19	–	–	–	7 344	7 344
Total Liabilities		–	36 337	2 065	117 068	159 335
Total Equity and Liabilities		–	36 337	2 065	342 549	384 815

Categories of financial instruments – 2015		Debt instruments at amortised cost	Financial liabilities at amortised cost		Equity and non-financial assets and liabilities	Total
Assets	Notes			Leases		
Non-Current Assets		60 417			152 467	212 884
Property, plant and equipment	3	–	–	–	129 243	129 243
Goodwill	4	–	–	–	18 165	18 165
Intangible assets	5	–	–	–	242	242
Loans to Group companies	8	60 417	–	–	–	60 417
Deferred tax	9	–	–	–	4 817	4 817
Current Assets		32 270	–	–	93 929	126 199
Inventories	10	–	–	–	26 491	26 491
Other financial assets	11	1 107	–	–	–	1 107
Current tax receivable		–	–	–	154	154
Trade and other receivables	12	26 861	–	–	21 122	47 983
Biological assets	13	–	–	–	46 162	46 162
Cash and cash equivalents	14	4 302	–	–	–	4 302
Total Assets		92 687	–	–	246 396	339 083
Equity and Liabilities						
Equity		–	–	–	197 372	197 372
Share capital	15	–	–	–	–	–
Reserves		–	–	–	8 014	8 014
Retained income		–	–	–	189 358	189 358
Non-Current Liabilities		–	3 356	2 194	68 617	74 167
Other financial liabilities	16	–	3 356	–	–	3 356
Operating lease liability		–	–	2 194	–	2 194
Post-employment medical costs	17	–	–	–	1 328	1 328
Deferred tax	9	–	–	–	67 289	67 289
Current Liabilities		–	29 684	–	34 458	67 544
Other financial liabilities	16	–	826	–	–	826
Current tax payable		–	–	–	4 937	4 937
Trade and other payables	18	–	20 129	–	26 242	46 371
Provisions	19	–	–	–	6 681	6 681
Bank overdraft	14	–	8 729	–	–	8 729
Total Liabilities		–	33 040	2 194	103 075	141 711
Total Equity and Liabilities		–	33 040	2 194	300 449	339 083

Categories of financial instruments – 2014		Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Assets	Notes					
Non-Current Assets		35 534	–	–	142 050	177 584
Property, plant and equipment	3	–	–	–	120 651	120 651
Goodwill	4	–	–	–	18 165	18 165
Intangible assets	5	–	–	–	486	486
Loans to Group companies	8	35 534	–	–	–	35 534
Deferred tax	9	–	–	–	2 748	2 748
Current Assets		41 486	–	–	64 847	106 333
Inventories	10	–	–	–	19 742	19 742
Other financial assets	11	604	–	–	–	604
Current tax receivable		–	–	–	154	154
Trade and other receivables	12	26 387	–	–	8 937	35 324
Biological assets	13	–	–	–	36 014	36 014
Cash and cash equivalents	14	14 495	–	–	–	14 495
Total Assets		77 020	–	–	206 897	283 917
Equity and Liabilities						
Equity		–	–	–	161 134	161 134
Share capital	15	–	–	–	–	–
Reserves		–	–	–	8 014	8 014
Retained income		–	–	–	153 120	153 120
Non-Current Liabilities		–	4 750	1 686	63 155	69 591
Other financial liabilities	16	–	4 750	–	–	4 750
Operating lease liability		–	–	1 686	–	1 686
Post-employment medical costs	17	–	–	–	1 372	1 372
Deferred tax	9	–	–	–	61 783	61 783
Current Liabilities		–	20 965	–	32 227	53 192
Other financial liabilities	16	–	920	–	–	920
Current tax payable		–	–	–	3 661	3 661
Trade and other payables	18	–	20 045	–	21 971	42 016
Provisions	19	–	–	–	6 595	6 595
Total Liabilities		–	25 715	1 686	95 382	122 783
Total Equity and Liabilities		–	25 715	1 686	256 516	283 917

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

The Directors
Premier Food and Fishing Limited
 Quay 7, Breakwater Boulevard, East Pier
 V & A Waterfront
 Cape Town
 8001

7 February 2017

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PREMIER FOOD AND FISHING LIMITED ("PFF" OR THE "COMPANY") INCLUDED IN THE PRE-LISTING STATEMENT

Introduction

We have audited the historical financial information of PFF for the three years ended 31 August 2014, 2015 and 2016 as set out in **Annexure 1** of the pre-listing statement to be issued on or about 13 February 2017 ("**the Pre-listing Statement**") in compliance with the JSE Limited ("**JSE**") Listings Requirements.

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

Our independence and quality control

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

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

Directors' responsibility for the historical financial information

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

Reporting accountants' responsibility

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

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

We conducted our audit of the historical financial information of PFF for the three years ended 31 August 2014, 2015 and 2016 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and report the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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

Opinion

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

Consent

We consent to the inclusion of this report, which will form part of the Pre-listing Statement to the shareholders of PFF in the form and context in which it appears.

Grant Thornton Cape Incorporated

Practice number 970879-0000
Chartered Accountants (SA)
Registered Auditors

Bernard van der Walt

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

PRO FORMA FINANCIAL INFORMATION OF THE COMPANY

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

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

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

Pro forma statement of comprehensive income for the year ended 31 August 2016

The *pro forma* statement of comprehensive income presented below was prepared on the assumption that the Share Split and Share Issue were implemented on 1 September 2015, at an issue price of R4.50 per Share.

	Audited financial information before Share Split and Share Issue¹ R'000	Pro forma adjustment – Share Split²	Pro forma financial information after Share Split³ R'000	Pro forma adjustment - Share Issue^{4,5} R'000	Pro forma financial information after Share Split and Share Issue⁶ R'000
Revenue	401 692	-	401 692	-	401 692
Cost of sales	(239 098)	-	(239 098)	-	(239 098)
Gross profit	162 594	-	162 594	-	162 594
Other income	2 647	-	2 647	-	2 647
Operating expenses	(100 085)	-	(100 085)	(3 709)	(103 794)
Operating profit	65 156	-	65 156	(3 709)	61 447
Investment revenue	11 349	-	11 349	-	11 349
Finance costs	(2 986)	-	(2 986)	-	(2 986)
Profit before tax	73 519	-	73 519	(3 709)	69 810
Taxation	(21 411)	-	(21 411)	-	(21 411)
Profit for the year	52 108	-	52 108	(3 709)	48 399
Total comprehensive income for the year	52 108	-	52 108	(3 709)	48 399
Earnings per share:					
Weighted average number of shares in issue					
Basic and diluted	100	142 999 900	143 000 000	117 000 000	260 000 000
Basic and diluted earnings per share (cents)⁷	52 108 366		36		19
NOTES					
Headline earnings and diluted headline per share (cents)⁷	52 518 037		37		19

	Audited financial information before Share Split and Share Issue¹	Pro forma adjustment – Share Split²	Pro forma financial information after Share Split³	Pro forma adjustment - Share Issue^{4,5}	Pro forma financial information after Share Split and Share Issue⁶
Reconciliation of headline earnings	Gross Net	Gross Net	Gross Net	Gross Net	Gross Net
Profit for the year attributable to equity owners of PFF	52 108	-	52 108	(3 709)	48 399
Adjusted for:					
Loss on disposal of property, plant and equipment	569 410	- -	569 410	- -	569 410
Headline earnings	52 518	-	52 518	(3 709)	48 809
Equity reconciliation			Issued Shares		
Share Split			143 000 000		
Share Issue			117 000 000		
Total			260 000 000		

1. The audited financial information before the Share Split and Share Issue was extracted without adjustments from the audited financial statements of PFF for the year ended 31 August 2016, that was prepared in accordance with IFRS.
2. Share Split of 1: 1 430 000 (1 Share is split into 1 430 000 Shares), resulting in the issued Share capital increasing from 100 Shares to 143 000 000 Shares.
3. The *pro forma* financial information after the Share Split column is based on the assumption that the Share Split was implemented on 1 September 2015.
4. It is assumed that transaction costs for the listing will amount to R12.7 million. R9 million relates to fees for the placement of Shares and has been assumed to be directly attributable to the Share Issue expenses which are recognised in equity in accordance with IAS 32 – Financial Instruments: Presentation and have been offset against Share capital. The remaining R3.7 million is an estimate of advisory and professional fees and it has been assumed that these are not directly attributable Share Issue expenses. These expenses have been recognised in the statement of comprehensive income. It has been assumed that the transaction costs are not tax deductible. The adjustment for transaction costs is not expected to have a continuing effect.
5. It is assumed that 117 000 000 Shares will be issued at R4.50 per Share.
6. The *pro forma* financial information after the Share Split and Share Issue column is based on the assumption that the Share Split and Share Issue was implemented on 1 September 2015.
7. The earnings per Share and headline earnings per Share figures are calculated based on the weighted average number of Shares in issue at 31 August 2016. The diluted earnings per Share and diluted headline earnings per Share are calculated based on the weighted average number of Shares in issue at 31 August 2016.
8. There are no rights or options that exist and therefore there are no dilutionary instruments in issue.
9. It is assumed that the funds received from the Share Issue will be used for expansion projects and a new acquisition. If the funds received were invested in a current account at an interest rate of 5.5% per annum the interest income would have been R28.3 million per annum. Taxation expense at 28% of the interest income would have been R7.9 million.
10. It has been assumed that there is no other income on the proceeds of the Share Issue.
11. An employee incentive scheme will be implemented after the Listing of PFF. No transactions with employees have occurred, nor has PFF or any of its subsidiaries issued Shares to employees. In light of this, IFRS 2 – Share based Payment, has not been applied to the incentives that will be given to employees in the future because there is no indication of how many Shares will be issued to employees nor what the terms of such issues will be.
12. The income tax rate is assumed to be 28%.

Pro forma statement of financial position as at 31 August 2016

The *pro forma* statement of financial position presented below was prepared on the assumption that the Share Split and Share Issue were implemented on 31 August 2016 at an issue price of R4.50 per Share.

	Audited financial information before Share Split and Share Issue¹ R'000	Pro forma adjustment – Share Split²	Pro forma financial information after Share Split³ R'000	Pro forma adjustment - Share Issue^{4,5} R'000	Pro forma financial information after Share Split and Share Issue⁶ R'000
Assets					
Non-Current Assets					
Property, plant and equipment	124 596	-	124 596	-	124 596
Goodwill	18 165	-	18 165	-	18 165
Intangible assets	41	-	41	-	41
Loans to group companies	78 396	-	78 396	-	78 396
Deferred tax	64	-	64	-	64
	221 262	-	221 262	-	221 262
Current Assets					
Inventories	42 379	-	42 379	-	42 379
Other financial assets	1 065	-	1 065	-	1 065
Current tax receivable	154	-	154	-	154
Trade and other receivables	48 270	-	48 270	-	48 270
Biological assets	48 169	-	48 169	-	48 169
Cash and cash equivalents	23 516	-	23 516	513 791	537 307
	163 553	-	163 553	513 791	677 344
Total Assets	384 815	-	384 815	513 791	898 606
Equity and Liabilities					
Equity					
Share capital	-	-	-	517 500	517 500
Reserves	8 014	-	8 014	-	8 014
Retained income	217 466	-	217 466	(3 709)	213 757
	225 480	-	225 480	513 791	739 271
Liabilities					
Non-Current Liabilities					
Other financial liabilities	10 764	-	10 764	-	10 764
Operating lease liability	2 065	-	2 065	-	2 065
Post-employment medical costs	1 153	-	1 153	-	1 153
Deferred tax	71 889	-	71 889	-	71 889
	85 871	-	85 871	-	85 871
Current Liabilities					
Loans from group companies	1 478	-	1 478	-	1 478
Other financial liabilities	3 280	-	3 280	-	3 280
Current tax payable	8 119	-	8 119	-	8 119
Trade and other payables	53 243	-	53 243	-	53 243
Provisions	7 344	-	7 344	-	7 344
	73 464	-	73 464	-	73 464
Total Liabilities	159 335	-	159 335	-	159 335
Total Equity and Liabilities	384 815	-	384 815	513 791	898 606
Net asset value per share (cents)	225 480 810		158		284
Net tangible asset value per share (cents)	207 274 937		145		277
Number of shares in issue	100	142 999 900	143 000 000	117 000 000	260 000 000
Weighted average number of shares in issue	100	142 999 900	143 000 000	117 000 000	260 000 000

NOTES

1. The audited financial information before Share Split and Share Issue was extracted without adjustments from the audited financial statements of PFF for the year ended 31 August 2016 that was prepared in accordance with IFRS.
2. Share Split of 1: 1 430 000 (1 Share is split into 1 430 000 Shares), resulting in the issued Share capital increasing from 100 Shares to 143 000 000 Shares.
3. The *pro forma* financial information after Share Split column is based on the assumption that the Share Split was implemented on 31 August 2016.
4. It is assumed that 117 000 000 Shares will be issued for R4.50 per Share. It is assumed that the Share Issue will be fully subscribed resulting in a cash inflow of R526.5 million to the Group.
 - 4.1 The estimated transaction costs for the Listing will amount to R12.7 million, resulting in a net cash inflow of R513.8 million. R9 million of the estimated transaction costs relates to fees for the placement of Shares and has been assumed to be directly attributable to the Share Issue expenses which are recognised in equity in accordance with IAS 32 – Financial Instruments: Presentation and have been offset against Share capital.
 - 4.2 The remaining R3.7 million is an estimate of advisory and professional fees and it has been assumed that these are not directly attributable to the Share Issue expenses. These expenses have been recognised in the statement of comprehensive income. It has been assumed that the transaction costs are not tax deductible.
5. It has been assumed that 117 000 000 Shares will be issued at R4.50 per Share resulting in an increase in Share capital of R526.5 million. Of the R12.7 million estimated transaction costs for the Listing, R9 million relates to fees for the placement of Shares and has been assumed to be directly attributable to the Share Issue expenses which are recognised in equity in accordance with IAS 32 – Financial Instruments: Presentation and have been offset against Share capital resulting in a net increase in Share capital of R517.5 million. The remaining R3.7 million is an estimate of advisory and professional fees and has been assumed to be an expense in nature. These expenses have been included in retained income.
6. The *pro forma* financial information after Share Split and Share Issue column is based on the assumption that the Share Split and Share Issue was implemented on 31 August 2016.
7. The initial net asset value per Share and tangible net asset value per Share figures are calculated based on the weighted average number of Shares in issue at 31 August 2016, being 100 Shares and the final net asset value per Share and tangible net asset value per Share figures are calculated based on the weighted average number of Shares in issue of 260 000 000 Shares.
8. It is assumed that the funds received from the Share Issue will be used for expansion projects and a new acquisition. If the funds received were invested in a current account at an interest rate of 5,5% per annum the interest income would have been R28.3 million per annum. Taxation expense at 28% of the interest income would have been R7.9 million.
9. It has been assumed that there is no other income on the proceeds of the Share Issue.
10. An employee incentive scheme will be set up after the listing of PFF. No transactions with employees have occurred nor has PFF or any of its subsidiaries issued Shares to employees. In light of this, IFRS 2 – Share based Payment, has not been applied to the incentives that will be given to employees in the future because there is no indication of how many Shares will be issued to employees nor what the terms of such issues will be.
11. The income tax rate is assumed to be 28%.

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

The Directors

Premier Food and Fishing Limited

Quay 7, Breakwater Boulevard, East Pier

Victoria and Alfred Waterfront

Cape Town

8001

7 February 2017

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF PREMIER FOOD AND FISHING LIMITED ("PFF" OR THE "COMPANY")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of PFF by its Directors ("**Directors**"). The *pro forma* financial information as set out in **Annexure 3** of the pre-listing statement ("**Pre-listing Statement**"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate actions, described in **Annexure 3**, on the PFF Group's financial position as at 31 August 2016, and the Company's financial performance for the period then ended, as if the corporate actions had taken place at 31 August 2016 for purposes of the *pro forma* statement of financial position and at 1 September 2015 for the purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the PFF Group's financial position and financial performance has been extracted by the Directors from the Company's published financial statements for the 12 months ended 31 August 2016, on which an auditor's report was issued on 25 October 2016.

Our independence and quality control

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

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

Directors' responsibility for the *pro forma* financial information

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

Reporting accountants' responsibility

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

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

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

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

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

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

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

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

Opinion

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

Consent

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

Grant Thornton Cape Incorporated

Practice number 970879-0000

Chartered Accountants (SA)

Registered Auditors

Bernard van der Walt

Partner

Chartered Accountant (SA)

Registered Auditor

6th Floor

123 Hertzog Boulevard Foreshore

Cape Town

8001

FORECAST FINANCIAL INFORMATION OF THE COMPANY

The forecast financial information of PFF for the financial periods ending 31 August 2017 to 31 August 2019 have been prepared by and is the responsibility of the Directors. The accounting policies applied in arriving at the forecast income are consistent in all respects with IFRS and with those accounting policies which have been applied in the historical financial information presented.

The assumptions made and applied in the preparation of the forecast financial information, which is considered by the Board of Directors to be material and significant, are set out below. The assumptions as set out below are not an exhaustive list, nor are they intended to be. General assumptions usually applicable to profit forecasts of this nature have not been expressly set out below, as such assumptions are considered implicit in the context of the forecasted financial information, or having an insignificant effect on such forecasted financial information.

Due to the nature of assimilating such information, a view is taken by the Board of Directors as to the impact of market conditions and/or future events. In the opinion of the Directors, the assumptions below are significant to the forecasts as being key factors upon which the financial results of the Group will depend. However, certain assumptions may not materialise and/or certain unforeseen events may occur or circumstances may arise subsequent to the forecasts being made. Accordingly, the results achieved for the forecasted periods may differ from those forecasted.

	Actual Audited 2016 R'000	Forecast 12 months 2017 R'000	Forecast 12 months 2018 R'000	Forecast 12 months 2019 R'000
Profit forecast for the year ended 31 August				
Revenue	401 692	448 590	684 440	781 453
Cost of sales	(219 550)	(253 560)	(377 216)	(423 307)
Gross profit	182 142	195 030	307 224	358 146
Other income	1 542	616	647	681
Management fees	(10 524)	(10 663)	(7 067)	(7 747)
Selling, marketing & distribution costs	(27 084)	(28 350)	(55 053)	(64 508)
Employee costs	(26 027)	(27 849)	(31 799)	(34 025)
Other operating costs	(42 766)	(48 588)	(55 660)	(59 735)
Earnings before interest, taxes and amortization	77 283	80 196	158 292	192 812
Depreciation & amortisation	(13 608)	(14 556)	(26 517)	(32 978)
Fair value adjustment on biological assets	2 007	5 668	5 443	7 503
Loss on foreign exchange	(526)	-	-	-
Profit before interest and tax	65 156	71 307	137 218	167 337
Interest income	11 349	21 841	25 413	19 182
Interest expense	(2 986)	(1 824)	(1 788)	(1 704)
Profit before tax	73 519	91 324	160 843	184 815
Tax	(21 411)	(25 555)	(42 517)	(49 499)
Profit after tax	52 108	65 769	118 327	135 316
SHARE STATISTICS				
Number of shares in issue – Basic and diluted	100	260 000 000	260 000 000	260 000 000
Weighted average number of shares in issue – Basic and diluted	100	201 500 000	260 000 000	260 000 000
Weighted average number of shares after the Share Split	143 000 000	201 500 000	260 000 000	260 000 000
Basic and diluted earnings per share (cents) after Share Split	36	33	46	52
Headline earnings per share (cents) after Share Split	37	33	46	52
Dividends	24 000	30 000	40 000	50 000
Dividends per share (cents) after Share Split	17	15	15	19

ASSUMPTIONS

QUOTA INFORMATION

	Actual Audited 2016	Forecast 12 months 2017	Forecast 12 months 2018	Forecast 12 months 2019
South Coast Rock Lobster (kg)	136 803	133 000	139 650	132 668
West Coast Rock Lobster (owned) (kg)	90 012	86 888	91 232	86 671
West Coast Rock Lobster (managed) (kg)	120 094	150 000	157 500	165 375
Pilchards (kg)	5 678 000	5 678 000	5 678 000	5 678 000
Anchovy (kg)	25 679 000	25 679 000	25 679 000	25 679 000
Hake Trawl (kg)	720 000	720 000	684 000	718 000
Hake Long Line (kg)	54 000	54 000	51 000	54 000
Abalone (managed) (kg)	30 650	35 000	37 800	40 824
Squid (effort based) (kg)	149 986	150 000	150 000	150 000
Pilchards (acquired) (kg)	-	-	1 608 000	1 608 000

ABALONE STOCK ON HAND

	Actual Audited 2016	Forecast 2017	Forecast 2018	Forecast 2019
Abalone (kg) – current farm	102 501	108 000	112 000	115 000
Abalone (kg) – new farm	-	11 270	21 508	33 466
Total	102 501	119 270	133 508	148 466

NOTES

The profit forecast for the years ending 31 August 2017 to 31 August 2019 is based on the following assumptions:

An EBITDA figure has been presented on the forecast income statement. Depreciation and selling costs are included as part of cost of sales in the statutory financial statements, however in order to present EBITDA and the interdependency between revenue and selling and distributions costs, these costs have been shown separately on the forecast financial information.

The forecasts incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the Directors of PFF:

- The Group catches 100% of its allocated quotas in all the forecasted years which is in line with the past two fishing seasons.
- Sales volumes are forecasted to be the same as the allocated quotas for South Coast Rock Lobster, West Coast Rock Lobster, Pilchards, Anchovies, Hake and Wild Abalone. Sales volumes for farmed Abalone are forecasted to be equivalent to production output, which is 100 tons per year for the existing farm. The Group will expand its existing farm at a cost of R200 million. For the farm expansion sales volumes are forecasted to be 20 tons in 2017, 40 tons in 2018 and 100 tons in 2019. This is in accordance with the forecasted production capacity installed in those years.
- It has been assumed that the Group will maintain its gross profit margin at 45%, operating profit margin of 21% and net profit margin of 15%.
- There is an administration fee agreement between Premier Fishing and the holding company AEEI. The Group will change its administration fee structure after Listing which was 2.5% of revenue and 9% of profit after tax, now forecasted to be 1.5% of revenues in the subsidiary company Premier Fishing, in the 2018 and 2019 financial years.
- Selling, marketing and distribution costs will average 9% over the forecast period.
- The employee costs on the current business will increase at a rate of 7% per annum from 2018 onwards.
- There will be 34 new employees recruited in 2017, 31 in 2018 and 96 in 2019 for the farm expansion. At full capacity, the farm expansion is expected to add 161 new employees. There will be 187 new waged employees recruited for the pilchards canning and fishmeal factory. The new employees are expected to increase employee costs by R34 million in 2018, R40 million in 2018 and R47 million in 2019. These costs have been taken into account in cost of sales.
- Other operating costs on the current business have been forecasted to increase by between 5% and 6% p.a. over the forecast period. It has also been assumed that there will be additional operating costs of R4 million in 2017, R5 million in 2018 and R6 million in 2019 as a result of the planned farm expansion and the fishmeal and pilchards canning factory. Once-off listing costs of R3.7 million have been included in the forecasted operating costs of 2017.
- The implementation of a solar project and finalisation of construction of a packing facility at the Group's Abalone farm will result in cost savings of approximately R3 million per annum.
- The Group scales up the production of Abalone on its acquired land of 6 hectares and the anticipated expansion of the Abalone farm commences on the 1st of March 2017, with the first batch of sales commencing in May 2017. The farm expansion will be on a phased approach taking a period of 5 years until full construction is complete. The farm expansion will add a production capacity of 200 tons. The total capacity will therefore be 300 tons. The full capacity of 300 tons is forecasted to be achieved in the 2020 financial year.

- The Group will acquire its own pilchards canning and fishmeal factory at a cost of R200 million. After Listing in March 2017, the Group will order pilchards canning and fishmeal factory equipment from its suppliers with installation to commence soon after delivery which usually takes a period of 3 to 6 months. It is anticipated that the factory will commence operations in the 2018 financial year. The major production cycle for fishmeal is usually in the months of February to September, therefore it has been forecasted that production and sales of pilchard cans and fishmeal will commence in March 2018.
- It has been assumed that 7 500 tons of fishmeal and 180 000 cartons of pilchards will be produced from the factory utilising the Group's own quota and an annually purchased quota of 1 600 tons of Pilchards which will be sourced locally from other smaller quota holders to ensure stability of supply to the retail market. Sales volumes have been forecasted to be equal to the production output.
- Capital expenditure of R200 million for the Abalone farm expansion will be incurred over a 5 year period.
- Capital expenditure of R200 million will be incurred to acquire and install a canning and fishmeal factory.
- R150 million will be utilised for working capital needs on the farm expansion and fishmeal and canning factory.
- The canning and fishmeal plant will be depreciated over an expected useful life of 20 years.
- The Abalone farming fittings and equipment will be depreciated over an expected useful life of 20 years.
- The depreciation of existing property, plant and equipment is in line with current accounting policies of the Group.
- R526.5 million will be raised by a means of the Private Placement through the issue of 117 million shares at R4.50 per share, upon the Listing of PFF.
- The Share Issue proceeds will be used to fund the Abalone farm expansion, acquisition of a canning and fishmeal plant, as well as for working capital needs of the Group.
- As the Abalone farm expansion will take a period of up to 5 years, the funds available for the expansion will be invested in a current account. Interest income on the funds has been forecasted at a rate of 5.5% per annum.
- The earnings per share and headline earnings per share figures were disclosed using the weighted average number of shares as if the share split had taken place in FY16 already for comparative purposes only.

The forecasts incorporate the following material assumptions in respect of revenue, expenses, assets and liabilities that cannot be influenced by the Directors of PFF:

- The current fishing quota allocations for the Group remain the same.
- An average forecast exchange rate to the US dollar of 13.97, 14.35 and 15.45 in the financial years 2017, 2018 and 2019 respectively.
- An average forecast exchange rate to the Euro of 15.70, 15.95 and 16.30 in the financial years 2017, 2018 and 2019 respectively.
- A corporate income tax rate of 28% has been applied throughout. The Directors have not taken into account the tax saving that could result from accelerated capital allowances from the farm expansion and the canning and fishmeal plant to be acquired nor any deferred tax effects on the fair value adjustments on biological assets.
- The prime rate will remain constant at 10.50% per annum.
- Interest is calculated based on current terms. Interest income is from debit loans and cash balances. Interest income on debit loans is at a floating interest of 1.5% to 5% above the prime interest rate. Interest income on cash balances is at a rate of 5.5%. Interest expense is from credit loans with a floating interest of 0.25% to 2.00% above the prime interest rate.
- An inflation rate of 6.00% per annum

No allowances for revenue and profit growth arising from further strategic acquisitions have been made in the forecasted figures.

The forecast for the years ending 31 August 2017 to 31 August 2019 have been compiled utilising the accounting policies of PFF, which subject to any legislative amendments, are expected to remain in place for the duration of the forecasted periods.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE FORECAST FINANCIAL INFORMATION OF THE COMPANY

The Directors

Premier Food and Fishing Limited

Quay 7, Breakwater Boulevard, East Pier

Victoria and Alfred Waterfront

Cape Town

8001

7 February 2017

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE FORECAST FINANCIAL INFORMATION OF PREMIER FOOD AND FISHING LIMITED ("PFF" OR THE "COMPANY")

We have examined the forecast statements of comprehensive income for the 12 month periods ending 31 August 2017, 31 August 2018 and 31 August 2019 as set out in **Annexure 5** to the Pre-listing Statement to be issued on or about 13 February 2017.

Directors' responsibility

The Directors are responsible for the preparation and presentation of the forecast information, including the assumptions on which it is based and for the financial information from which it has been prepared. This responsibility, arising from compliance with the JSE Listing Requirements, includes determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information; whether the forecast information has been properly compiled on the basis stated; and whether the forecast information is presented on a basis consistent with the accounting policies of PFF.

Our independence and quality control

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

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

Reporting accountant's responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the JSE Listing Requirements for inclusion in the Pre-listing Statement. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400: *The Examination of Prospective Financial Information*, which applies to engagements to examine and report on prospective financial information including examination procedures for best-estimate and hypothetical assumptions. This standard requires us to obtain sufficient appropriate evidence as to whether:

- Management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with purpose of the information;
- The forecast information is prepared on the basis of the assumptions;
- The forecast information is appropriately presented and all material assumptions are adequately disclosed; and
- The forecast information is prepared and presented on a basis consistent with the accounting policies of PFF for the period concerned.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that:

- (i) The assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of forecast information;
- (ii) The forecast information has not been properly compiled on the basis stated;
- (iii) The forecast information has not been appropriately presented and all material assumptions are not adequately disclosed; and
- (iv) The forecast information is not presented on a basis consistent with the accounting policies of PFF.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Consent

We consent to the inclusion of this report, which will form part of the Pre-listing Statement to the shareholders of PFF in the form and context in which it appears.

Grant Thornton Cape Incorporated

Practice number 970879-0000

Chartered Accountants (SA)

Registered Auditors

Bernard van der Walt

Partner

Chartered Accountant (SA)

Registered Auditor

6th Floor

123 Hertzog Boulevard Foreshore

Cape Town

8001

RELEVANT PROVISIONS FROM THE MOI

This **Annexure 7** contains extracts of various salient provisions from the MOI, as required under the JSE Listings Requirements. In each case, the numbering and wording below matches that of the applicable provisions in the MOI.

For a full appreciation of the provisions of the MOI, Shareholders are referred to the full text of the MOI, which is available for inspection, as provided for in paragraph 22 of the Pre-listing Statement.

6. ISSUE OF SHARES AND VARIATION OF RIGHTS

- 6.1 The Company is authorised to issue –
 - 6.1.1 2 000 000 000 (two billion) Ordinary Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –
 - 6.1.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a poll;
 - 6.1.1.2 participate proportionally in any distribution made by the Company; and
 - 6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;
 - 6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.
- 6.2 For purposes of clause 6.1, *pari passu* shall have the meaning attributed thereto in terms of the JSE Listings Requirements.
- 6.3 The Board shall not have the power to –
 - 6.3.1 increase or decrease the number of authorised Shares of any class of the Company's Shares;
 - 6.3.2 create any new class or classes of authorised but unissued Shares;
 - 6.3.3 consolidate and reduce the number of the Company's issued and authorised Shares of any class;
 - 6.3.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;
 - 6.3.5 convert any class of Shares into one or more other classes of Shares;
 - 6.3.6 reclassify any classified Shares that have been authorised but not issued;
 - 6.3.7 classify any unclassified Shares that have been authorised but not issued;
 - 6.3.8 determine the preferences, rights, limitations or other terms of any Shares; or
 - 6.3.9 change the name of the Company,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.
- 6.4 All Securities of a class shall rank *pari passu* in all respects.
- 6.5 The Company has the power, subject to the authority of a special resolution as contemplated in clause 6.3 to subdivide its Shares of any class. Such subdivision may be effected through a mere splitting of, and consequential increase in, the authorised and issued Shares of the relevant class, and without an issue of new Shares and an increase of its capital.
- 6.6 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in this Memorandum of Incorporation. The variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution adopted by the Ordinary Shareholders. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitation or any other terms attaching to any other class of Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares of that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of Ordinary Shareholders subject to clause 22.2. No resolution of Shareholders in respect of such amendment shall be proposed or passed, unless a special resolution of the holders of the Shares of that class approve the amendment.
- 6.7 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of Securities, the sub-division of Securities, the change of the name of the Company, the increase of the number of authorised Securities, and, subject to clause 6.6, the variation of any preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.
- 6.8 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

- 6.9 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.10 The Board may, subject to clauses 6.11 and 6.16, issue Shares at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.11 Subject to clauses 6.10 and 6.17, the Board may not issue unissued Ordinary Shares unless such Ordinary Shares have first been offered to existing Ordinary Shareholders in proportion to their shareholding (on such terms and in accordance with such procedures as the Board may determine), unless the relevant issue of Ordinary Shares –
- 6.11.1 is for the acquisition of assets, whether by means of an acquisition issue or a vendor consideration placing; or
 - 6.11.2 is an issue pursuant to options or conversion rights; or
 - 6.11.3 is an issue in terms of an approved share incentive scheme; or
 - 6.11.4 is an issue of shares for cash (as contemplated in the JSE Listings Requirements), which has been approved by the Shareholders by ordinary resolution, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements, and subject to the applicable corporate action being approved by the JSE, to the extent that such approval is required under the JSE Listings Requirements, provided that, if such Shareholder approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company or for 15 (fifteen) months from the date of the passing of the ordinary resolution, whichever is the earlier, and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting; or
 - 6.11.5 otherwise falls within a category in respect of which it is not, in terms of the JSE Listings Requirements, a requirement for the relevant Shares to be so offered to existing Ordinary Shareholders; or
 - 6.11.6 is otherwise undertaken in accordance with an authority approved by Ordinary Shareholders in general meeting, subject to the applicable corporate action being approved by the JSE, to the extent that such JSE approval is required under the JSE Listings Requirements.
- provided that fractions of Shares will not be issued and that any fractions of Shares will be rounded or otherwise dealt with in accordance with the JSE Listings Requirements. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares offered, the Directors may, subject to the foregoing provisions, issue such Shares in such manner as they consider most beneficial to the Company.
- 6.12 The Directors may exclude any Shareholders or category of Shareholders from an offer contemplated in clause 6.11 if and to the extent that they consider it necessary or expedient to do so because of legal impediments or compliance with the laws or the requirements of any regulatory body of any territory, outside of South Africa, that may be applicable to the offer.
- 6.13 Alterations of share capital, authorised shares and rights attaching to a class/es of Shares; all issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to the foregoing provisions, be undertaken in accordance with the JSE Listings Requirements. For the avoidance of doubt, Shareholders in a general meeting may authorise the Board to grant options to subscribe for unissued Shares, as the Board in its discretion deems fit, provided that such corporate action has, to the extent required under the JSE Listings Requirements, been approved by the JSE.
- 6.14 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must be freely transferable and must, notwithstanding the provisions of section 40(5) of the Act, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Company for the issuance of such Securities.
- 6.15 Subject to sections 40(5) to 40(7) of the Act, when the Company has received the consideration approved by the Board for the issuance of any Shares –
- 6.15.1 those Shares are fully paid up; and
 - 6.15.2 the Company must issue those Shares and cause the name of the holder to be entered onto the Company's Securities Register in accordance with sections 49 to 56 of the Act.
- 6.16 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, if and to the extent that this may be required in terms of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 6.17 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation (as is set out in clause 6.11), no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

13. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) may be granted, and the authority of the Board in such regard is accordingly limited by this Memorandum of Incorporation.

14. CAPITALISATION SHARES

- 14.1 The Board shall have the power and authority to –
- 14.1.1 approve the issuing of any authorised Shares as capitalisation Shares;
 - 14.1.2 issue Shares of one class as capitalisation Shares in respect of Shares of another class; and
 - 14.1.3 resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share,
- provided that such issue is effected in accordance with the requirements of section 47 and has been approved by the JSE to the extent required under the JSE Listings Requirements and that the JSE Listings Requirements have otherwise been complied with.
- 14.2 The Board may not resolve to offer a cash payment in lieu of awarding a capitalisation share, as contemplated in clause 14.1.3, unless the Board –
- 14.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and
 - 14.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.

16. FINANCIAL ASSISTANCE

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any such Securities, as set out in (and in accordance with) section 44, and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

17. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

- 17.1 Subject to the JSE Listings Requirements, the provisions of the Act, including section 48, and the further provisions of this clause 17 –
- 17.1.1 the Board may determine that the Company acquire a number of its own Shares; and
 - 17.1.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company, but –
 - 17.1.2.1 not more than 10% (ten percent), in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company, taken together; and
 - 17.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that subsidiary and it remains a subsidiary of the Company.
- 17.2 Any decision by the Company to acquire its own Shares must satisfy the JSE Listings Requirements and the requirements of section 46 and, accordingly, the Company may not acquire its own Shares unless –
- 17.2.1 for as long as it is required in terms of the JSE Listings Requirements, the acquisition has been approved by a special resolution of the Shareholders, whether in respect of a particular repurchase or generally approved by Shareholders and unless such acquisition otherwise complies with sections 5.67 to 5.81 of the JSE Listings Requirements (or such other sections as may be applicable from time to time);
 - 17.2.2 the acquisition –
 - 17.2.2.1 is pursuant to an existing legal obligation of the Company, or a court order; or
 - 17.2.2.2 the Board, by resolution, has authorised the acquisition;
 - 17.2.3 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition; and
 - 17.2.4 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition.
- 17.3 A decision of the Board referred to in clause 17.1.1 –
- 17.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or prescribed officer of the Company, or a person related to a Director or prescribed officer of the Company; and
 - 17.3.2 is subject to the requirements of sections 114 and 115 if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% (five percent) of the issued Shares of any particular class of the Company's Shares.
- 17.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than –
- 17.4.1 Shares held by one or more subsidiaries of the Company; or
 - 17.4.2 convertible or redeemable Shares.

26. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

26.1 Number of Directors

- 26.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.
- 26.1.2 All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.
- 26.1.3 Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

26.2 Election of Directors

- 26.2.1 In any election of Directors –
 - 26.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
 - 26.2.1.2 in each vote to fill a vacancy –
 - 26.2.1.2.1 each vote entitled to be exercised may be exercised once; and
 - 26.2.1.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.
- 26.2.2 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).

26.3 Eligibility, Resignation and Rotation of Directors

- 26.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.
- 26.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 26.3.2 –
 - 26.3.2.1 at each annual general meeting referred to in clause 20.2.1, 1/3 (one third) of the non-executive Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
 - 26.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
 - 26.3.2.3 a retiring Director shall be eligible for re-election;
 - 26.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 25;
 - 26.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 20.4.2 to 20.4.5 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.
- 26.3.3 The Board shall, through its nomination committee if such committee has been constituted in terms of clause 32, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Sufficient time shall be allowed between the date of such notice and the date of the general meeting or annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Company's office from any part of the Republic.

26.4 Powers of the Directors

- 26.4.1 The Board has the power to –
 - 26.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.1.4 at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and
 - 26.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),
- and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 26.4.

- 26.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.
- 26.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 26.4.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.
- 26.4.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 26.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.
- 26.4.6 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 26.4.5, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

26.5 **Directors' Interests**

- 26.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 26.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 26.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.
- 26.5.4 Save where the Directors have obtained the prior approval of the JSE to so propose such a resolution, the proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Directors to perform such an act on behalf of the Company, is prohibited.

28. **DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE**

- 28.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.
- 28.2 Any Director who -
- 28.2.1 serves on any executive or other committee; or
 - 28.2.2 devotes special attention to the business of the Company; or
 - 28.2.3 goes or resides outside South Africa for the purpose of the Company; or
 - 28.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

- 28.3 The Directors may also be paid all their travelling and other expenses properly and necessarily incurred by them in connection with -
- 28.3.1 the business of the Company; and
 - 28.3.2 attending meetings of the Directors or of committees of the Directors of the Company.
- 28.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

29. MANAGING DIRECTOR

- 29.1 The Directors may from time to time appoint –
- 29.1.1 managing and other executive Directors (with or without specific designation) of the Company;
 - 29.1.2 any Director to any other executive office with the Company,
- as the Directors may think fit, for a period as the Directors may think fit, (provided that, for so long as it may be required by the Act or the JSE Listings Requirements, the appointment of a managing or other executive Director in terms of clause 29.1.1, must be confirmed by the Shareholders at the next annual general meeting of the Company) and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.
- 29.2 Any Director appointed in terms of 29.1.1 –
- 29.2.1 shall (subject to the provisions of the contract under which he is appointed), whilst he continues to hold that position or office, not be subject to retirement by rotation; and
 - 29.2.2 shall, subject to the provisions of any contract between himself and the Company, be subject to the same provisions as to disqualification and removal as the other Directors of the Company. If he ceases to hold office as a Director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.
- 29.3 The remuneration of a Director appointed to any position or executive office in terms of clause 29.1.1 –
- 29.3.1 shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors;
 - 29.3.2 shall be in addition to or in substitution of any ordinary remuneration as a Director of the Company, as the Directors may determine;
 - 29.3.3 may consist of a salary or a commission on profits or dividends or both, as the Directors may direct.
- 29.4 The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

30. BORROWING POWERS

- 30.1 Subject to the provisions of clause 31.2 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time
- 30.1.1 borrow for the purposes of the Company such sums as they think fit; and
 - 30.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.
- 30.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –
- 30.2.1 the Company; and
 - 30.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),
- shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

35. DISTRIBUTIONS

- 35.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –
- 35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
 - 35.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements,
- provided that if such distribution is a repayment of capital, the Company shall not be entitled to make such distribution on the basis that it may be called up again.

- 35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.
- 35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.
- 35.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 35.5 All distributions are to be declared by the Directors in accordance with the provisions of the Act.
- 35.6 All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 (three) years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies due to any Shareholder/s shall be held by the Company in trust until lawfully claimed by such Shareholder/s, provided that such unclaimed monies shall be subject to the laws of prescription.
- 35.7 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to -
- 35.7.1 the holder at his registered address; or
- 35.7.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or
- 35.7.3 such person and at such address as the holder or joint holders may in writing direct.
- 35.8 Every such cheque or warrant shall -
- 35.8.1 be made payable to the order of the person to whom it is addressed; and
- 35.8.2 be sent at the risk of the holder or joint holders.
- 35.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.
- 35.10 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 35.11 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.
- 35.12 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 35.13 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part -
- 35.13.2.1 by the distribution of specific assets; or
- 35.13.2.2 by the issue of Shares, debentures or securities of the Company or of any other company; or
- 35.13.2.3 in cash; or
- 35.13.2.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.
- 35.14 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 35.15 The Directors may -
- 35.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and
- 35.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 35.16 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

39. **AMENDMENT OF MEMORANDUM OF INCORPORATION**

- 39.1 Subject to the provisions of clause 6.6, this Memorandum of Incorporation may only be amended by way of a special resolution of the ordinary Shareholders in accordance with section 16(1)(c), except if such amendment is in compliance with a Court order as contemplated in sections 16(1)(a) and 16(4).
- 39.2 An amendment of this Memorandum of Incorporation will take effect from the later of -
- 39.2.1 the date on, and time at, which the Commission accepts the filing of the notice of amendment contemplated in section 16(7); and
- 39.2.2 the date, if any, set out in the said notice of amendment,
- save in the case of an amendment that changes the name of the Company, which will take effect from the date set out in the amended registration certificate issued by the Commission.

KING CODE AND CORPORATE GOVERNANCE

PART A

PFF is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King Code.

The King Code recognises that no “*one size fits all*” approach can be adopted in the application of its principles and that it may not be appropriate for entities to adopt all of its principles, in the context of its particular business and/or operational environment.

A full report is attached in Part B hereof which, to the best of the knowledge and belief of the Board, sets out the extent of the Company’s current application of the principles of the King Code and explains the non-application of certain of its principles and/or where principles are not fully applied.

The key principles underpinning the corporate governance of the Company and systems of control that form an integral part of corporate governance are set out hereunder.

1. THE BOARD

1.1 Introduction

The Board consists of 14 members, of whom 9 are independent non-executive Directors (see **Annexure 9** of the Pre-listing Statement for their profiles).

There is a policy evidencing a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision making.

The key roles and responsibilities of the Board include acting as the focal point for, and custodian of, corporate governance; determining the strategies and strategic objectives of the PFF Group and monitoring the implementation of the Board’s strategies, decisions, values and policies.

Directors disclose their personal financial interests at the start of every Board or committee meeting.

1.2 Composition of the Board

The Board consists of 14 members, of whom 9 are independent non-executive Directors.

The Company has an appointed chief executive officer and chairman, being, respectively, Mogamat Samir Saban and Reverend Dr Vukile Charles Mehana.

The chairman is independent for purposes of the King Code.

1.3 Expertise and experience of the chief financial officer

Isaiah Tatenda Bundo is the chief financial officer of the Company. The audit committee has considered and satisfied itself of the appropriateness of the expertise and experience of Mr Bundo.

1.4 Company secretary

Nobulungisa Mbaliseli is the company secretary of the Company.

All Board members have access to the advice and services of the company secretary, who is responsible for the proper administration of the Board and the implementation of sound corporate governance procedures. This includes Board induction and training programmes and the supply of all information to assist Board members in the proper discharge of their duties.

The Board is of the opinion that the company secretary is suitably qualified and experienced to carry out her duties as stipulated under section 84 of the Companies Act.

The Board will, through discussion and assessment, review the qualifications, experience and competence of the company secretary. The Board is satisfied that an arm’s length relationship exists.

2. BOARD COMMITTEES

2.1 Audit committee

The Company’s audit committee will, following the Listing, have the following members:

Takudzwa Tanyaradzwa Hove (chairman of audit committee) – Independent Non-Executive Director;
Arthur William Johnson – Independent Non-Executive Director;
Rosemary Phindile Mosia – Independent Non-Executive Director,

all of whom are independent non-executive Directors.

The audit committee assists the Board by providing an objective and independent view on the Group’s finance, accounting and control mechanisms and by reviewing and ensuring that consideration is given to the following:

- the accounting policies of the Group and any proposed revisions thereto;
- the effectiveness of the Group’s information systems and internal controls;

- the appointment and monitoring of the effectiveness of the external auditors;
- the appropriateness, expertise and experience of the chief financial officer;
- setting the principles for recommending the use of external auditors for non-audit services and recommending that these be kept to a minimum;
- the annual report and specifically the annual financial statements included therein;
- the reports of the external auditors;
- the Group's going concern status; and
- compliance with applicable legislation and requirements of regulatory authorities.

In terms of risk management (through consultation with the external auditors), the committee ensures that management's processes and procedures are adequate to identify, assess, manage and monitor Group-wide risks.

This committee will hold at least two meetings per year.

2.2 **Remuneration committee**

The remuneration committee consists of the following members:

Salim Young (chairman of the remuneration committee) – Independent Non-Executive Director

Khalid Abdulla – Non-Executive Deputy Chairman;

Aziza Begum Amod – Independent Non-Executive Director; and

Reverend Dr Vukile Charles Mehana – Independent Non-Executive Director.

A majority of the members of the remuneration committee are non-executive Directors, with a majority of such non-executive Directors being independent.

The remuneration committee is primarily responsible for reviewing and approving executive Directors' remuneration. Further, the remuneration committee assists the Board in reviewing non-executive Directors' remuneration recommendations. In doing so, it takes cognisance of both local and international best practices to ensure that such total remuneration is fair and reasonable to both the Directors and the Company. This committee will hold at least one meeting per year.

2.3 **Social and Ethics Committee**

The social and ethics committee consists of the following members:

Aziza Begum Amod (chairman of social and ethics committee) – Independent Non-Executive Director;

Cherie Felicity Hendricks – Non-Executive Director; and

Fredelaine Elna Cindy Brand – Independent Non-Executive Director.

A majority of the members of the social and ethics committee are non-executive Directors, with a majority of such non-executive Directors being independent.

The purpose of the social and ethics committee is to monitor the Company's activities with regards to social and economic standing and development, good corporate citizenship, the environment, health and public safety and consumer relationships and compliance laws. The social and ethics committee will report to Shareholders on matters within its mandate and draw matters within its mandate to the attention of the Board.

The social and ethics committee is scheduled to meet twice per year.

2.4 **Nominations Committee**

The nominations committee consists of the following members:

Reverend Dr Vukile Charles Mehana (chairman of nominations committee) – Independent Non-Executive Director;

Khalid Abdulla – Non-Executive Deputy Chairman; and

Salim Young – Independent Non-Executive Director.

A majority of the members of the nominations committee are non-executive Directors, with a majority of such non-executive Directors being independent.

The nominations committee is constituted as a subcommittee of the Board of directors. The duties and responsibilities of the members of the nominations committee are in addition to those as members of the Board.

The role of the nominations committee is to assist the Board to ensure, on an annual basis that the Board has the appropriate composition in terms of structure, size, composition and independence for it to execute its duties effectively and that Directors are appointed through a formal process. They must further ensure that induction and ongoing training and development of directors take place and that formal succession plans for the Board, chief executive officer and senior management appointments are in place.

The nominations committee must perform all the functions necessary to fulfil its role as stated above.

The nominations committee will make recommendations to the Board for the appointment of new non-executive directors and will further evaluate the independence of the non-executive directors on an annual basis.

The nominations committee is scheduled to meet at least once a year or as needed.

3. **LEGAL AND COMPLIANCE**

The Board recognises its responsibility to ensure that the Company complies with all applicable laws and considers adherence to all industry charters, codes and standards.

The risk and internal audit function manages the process of compliance and is monitored by the audit committee.

During the past financial year no instances of material non-compliance were noted and no judgements, damages, penalties or fines were recorded or levied against the Company, its Directors or employees for noncompliance with any legislation.

4. **REMUNERATION REPORT**

The Company's remuneration approach is aimed at remunerating Directors, executives and employees fairly and responsibly. This approach takes cognisance of local and international remuneration best practices to ensure that the Company attracts and retains appropriate skills and talent.

Remuneration is governed by the remuneration committee, which is mandated by and reports to the Board, and which oversees the setting and administration of remuneration.

Fees payable to Directors are recommended by the Board to the Shareholders at annual general meetings for approval.

5. **IT GOVERNANCE REPORT**

The majority of the IT functions of the Group are outsourced to external service providers. The risks regarding the security, back-up, conversion and update of the information technology systems are continually assessed and addressed by the Board. Disaster recovery plans are regularly reviewed as disruptions to critical management information could have an impact on continuing operations.

As the Group is dependent on IT to meet its business needs and sustainability objectives, all identified IT risks are monitored and reduced to an acceptable level by executive management. The Group prides itself on the high standard of security monitoring, data protection, business service availability, network reliability and ensures that IT maintenance is performed and reviewed constantly. Although no material risks were reported on during the year under review, we are cognisant of cybersecurity and the implications thereof taking into account the protection of our stakeholders which remains a high priority. The Group constantly address threats from phishing and other cyber threats.

PART B - APPLICATION OF PRINCIPLES IN THE KING CODE

Preamble

PFF is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King Code. It therefore strives to meet those objectives in accordance with the content of the table below.

Key – Level of compliance:

Applied ✓ (will be applied as at the Listing Date)

Partially applied ★

Not applicable ✗

	PRINCIPLE	LEVEL OF COMPLIANCE	COMMENTS
1.	Ethical leadership and corporate citizenship		
1.1	The Board should provide effective leadership based on an ethical foundation	✓	Ethics form part of the values of the Company and the Board. All Board members of the Company including all staff will be obliged to ensure that their dealings have a solid ethical foundation. This will be monitored by the Social & Ethics Committee
1.2	The Board should ensure that the Company is, and is seen to be, a responsible corporate citizen	✓	The Board is responsible for economic, social and environmental performance and this is delegated to executive management who is responsible to ensure that the Company is socially responsible for meeting legal, ethical and economic responsibilities. These include: <ul style="list-style-type: none"> • Environment • Suppliers • Customers • Employees The Company takes its responsibilities serious when it comes to being a good corporate citizen by continuously training staff to ensure that they fulfil their responsibilities when it comes to these matters.
1.3	The Board should ensure that the Company's ethics are managed effectively	✓	A Social and Ethics Committee is in place and the committee will report directly to the Board. The Company has a Code of Ethics and Code of Conduct, The Way We Work as well as a dedicated "hotline" in place.
2	Board and Directors		
2.1	The Board should act as the focal point for and custodian of corporate governance	✓	The Board will operate within the mandate of the Company's Memorandum of Incorporation and Board Charter. The Board will ensure that all members are the custodians of corporate governance. All Directors on the Board shall be obliged to attend the induction training on good corporate governance as laid out by the King Code of Governance to ensure that they are fully committed to sound governance.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	✓	The Board is aware that strategy, risk, performance and sustainability are inseparable and will ensure that it conducts its affairs in this manner. The Board will review the Company's objectives, strategies, performance and risks on a quarterly basis.
2.3	The Board should provide effective leadership based on an ethical foundation	✓	Refer to item 1.1 above
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen	✓	Refer to item 1.2 above
2.5	The Board should ensure that the Company's ethics are managed effectively	✓	Refer to item 1.3 above
2.6	The Board should ensure that the Company has an effective and independent audit committee	✓	The Board will ensure that the audit committee will have the necessary skills and will be independent of the Company and ensure that there is a balance of skills to ensure the effectiveness of this committee. The audit committee comprises of independent non-executive directors

2.7	The Board should be responsible for the governance of risk	✓	The Board is committed to the highest standards of business integrity and has adopted an integrated approach to managing the Company to ensure that the governance structure is actively identified, communicates on and responds to material issues that impact on the Company. They will also be responsible for the risk appetite of the Company.
2.8	The Board should be responsible for information technology (IT) governance	✓	The Board is ultimately responsible for information technology ("IT") governance and management will be accountable for operational governance of information technology management.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	✓	The Board complies with all laws, codes, rules and standards.
2.10	The Board should ensure that there is an effective risk-based internal audit	✓	The internal auditor will have an Internal Audit Charter approved by the audit committee to ensure that the internal audit function is effective, risk based and has direct access to the Chairman of the audit committee as well as the External auditors.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	✓	The Company has an effective Stakeholder Engagement policy in place
2.12	The Board should ensure the integrity of the Company's integrated report	✓	The Board will ensure that the Company complies with the Listings Requirements of the JSE, King Code of Corporate Governance, accounting policies and applicable laws and regulations that govern the integrated report.
2.13	The Board should report on the effectiveness of the Company's system of internal controls	✓	The Board via the Audit committee will ensure that the Company's systems and controls are functioning effectively and that the system of internal control is adhered to in terms of the charter.
2.14	The Board and its Directors should act in the best interests of the Company	✓	The Board and Directors will be required to exercise care, skill, diligence and act in good faith at all times and comply with the Company's Code of Conduct and Code of Ethics. They would be required to declare any personal financial interests and not deal in the Company's securities during close or price-sensitive periods.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act	✓	The Board will monitor the Company's solvency and liquidity and understand its responsibility regarding business rescue proceedings.
2.16	The Board should elect a chairman of the Board who is an independent non-executive director. The CEO of the Company should not also fulfil the role of chairman of the Board	✓	The Board elected an independent non-executive chairman to fulfil this role.
2.17	The Board should appoint the chief executive officer and establish a framework for the delegation of authority	✓	The Board appointed a chief executive officer and the role and responsibilities are defined in the Company's Board Charter.
2.18	The Board should comprise a balance of power, with a majority of non-executive Directors. The majority of non-executive Directors should be independent	✓	The composition of the Board comprises majority non-executive Directors with the necessary skill and is diversified in terms of its composition.
2.19	Directors should be appointed through a formal process	✓	The Board will have a formal charter in place for the appointment of Directors. This will be delegated to the Nominations Committee whom will make the recommendation to the Board after conducting a thorough review process.
2.20	The induction of and ongoing training and development of Directors should be conducted through formal processes	✓	The Board will ensure that Directors attend the formal induction programme.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company secretary	✓	The Board appointed a suitably qualified and experienced company secretary and ensured that there is an arm's length relationship with the Board and the company secretary in terms of governance.
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year	✓	The performance of the Board of Directors will be reviewed annually through a formal process.

2.23	The Board should delegate certain functions to well-structured committees without abdicating its own responsibilities	✓	The Board will ensure that certain responsibilities be delegated to the Audit committee, the Remuneration committee, the Social and Ethics committee, the Transformation committee, the Investment committee and the Nominations committee without abdicating their own responsibilities.
2.24	A governance framework should be agreed between the Group and its subsidiary Boards	✓	The same governance framework and principles adopted will apply for all subsidiaries in the Group.
2.25	Companies should remunerate Directors and executives fairly and responsibly	✓	The Remuneration committee will review the Directors and executive remuneration annually against benchmarking exercises and performance.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	✓	Details of the Directors' remuneration will be disclosed. The Company is of the view that due to confidentiality and the sensitivity around senior executive's remuneration to not publicly disclose this information.
2.27	Shareholders should approve the Company's remuneration policy	✓	The Board will ensure that Shareholders approve the Company's remuneration policy which will tabled at the Annual General Meeting of the Company.
3.	Audit Committees		
3.1	The Board should ensure that the Company has an effective and independent audit committee	✓	The Board appointed an independent Audit committee which will be approved annually at the Annual General Meeting of the Company.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive Directors (subsidiary exemption)	✓	All committee members were assessed and found to be suitably skilled independent non-executive directors.
3.3	The audit committee should be chaired by an independent non-executive director	✓	The Board appointed an independent non-executive to chair the Audit committee.
3.4	The audit committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information) The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents	✓	The Audit committee will be responsible for overseeing the integrated report which will include the integrated report, financial information and summarised information. They will also be responsible for evaluating significant judgements and reporting decisions that could affect the integrated report. They will be responsible for the financial statements, interim reports, provisional and preliminary results announcements, summarised integrated information, price-sensitive information, trading statements, circulars and similar documents intended for release.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	✓	The Audit committee will ensure that assurance activities of management, external and internal audit is coordinated.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function	✓	The Audit committee will review and evaluate the expertise and resources and experience of the finance function on an annual basis.
3.7	The audit committee should be responsible for overseeing of internal audit	✓	The Audit committee will oversee and monitor the effectiveness of the internal audit function.
3.8	The audit committee should be an integral component of the risk management process	✓	The Audit committee will oversee the risk management process and it be a combined function.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	✓	The Audit committee will on an annual basis recommend the appointment of the external audit for approval to the shareholders at the Annual General Meeting of the Company. The Audit committee will also ensure that the audit partner is rotated accordingly (every 5 years).
3.10	The audit committee should report to the Board and shareholders on how it has discharged its duties	✓	The Audit committee will report at every Board meeting and the Annual General Meeting of the Company as to how it has discharged its duties.

4.	The governance of risk		
4.1	The Board should be responsible for the governance of risk	✓	The Board will be responsible for the governance of risk as specified in the Board Charter.
4.2	The Board should determine the levels of risk tolerance	✓	The Board will review all risks and prioritise them in terms of the Risk Charter on a quarterly basis and this will form part of the operational process.
4.3	The risk committee or audit committee should assist the Board in carrying out its risk responsibilities	✓	Refer to item 3.10 above
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	✓	The Board will ensure that management will be responsible for the risk management framework and plan which will be adopted by the Board and will be monitored by the Audit committee.
4.5	The Board should ensure that risk assessments are performed on a continual basis	✓	The Board via the Audit committee will ensure that risks are assessed on an ongoing basis and that the necessary processes are followed to mitigate any risks to an acceptable level. This will form part of the operational process.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	✓	The Board will ensure that unpredictable risks are incorporated into the framework and reviewed on a regular basis.
4.7	The Board should ensure that management considers and implements appropriate risk responses	✓	The Board will ensure that risk management is incorporated into management's duties and that the appropriate risk responses are tabled and discussed on an ongoing basis.
4.8	The Board should ensure continual risk monitoring by management	✓	Risk management will be incorporated into the Exco as well as the monthly management meetings.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process	✓	Risk management will be incorporated into the regular Exco and monthly meetings and exceptions will be highlighted to the Board via the Audit committee.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	✓	The integrated report and annual financial statements will include disclosure on risks as well as the operating environment of the Company.
5.	The governance of Information Technology		
5.1	The Board should be responsible for information technology (IT) governance	✓	The Board will ensure that an IT governance plan and framework is approved and implemented.
5.2	IT should be aligned with the performance and sustainability objectives of the Company	✓	The Board will ensure that IT is aligned with the sustainability objectives and performance of the Company.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework	✓	The Board will ensure that the IT governance framework is implemented and will be the responsibility of the executive management team.
5.4	The Board should monitor and evaluate significant IT investments and expenditure	✓	The Board will evaluate and monitor all IT expenditure.
5.5	IT should form an integral part of the Company's risk management	✓	IT will form part of the risk management of the Company.
5.6	The Board should ensure that information assets are managed effectively	✓	The Company's IT assets will form part of the risk management process.
5.7	A risk committee and audit committee should assist the Board in carrying out its IT responsibilities	✓	Refer to item 5.1 above
6.	Compliance with laws, codes, rules and standards		
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	✓	The Board will be committed to compliance with all applicable laws, codes and standards.

6.2	The Board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business	✓	All Directors will be required to have a working knowledge of all applicable laws, rules, code and standards that govern the Company and be educated on these matters regularly.
6.3	Compliance risk should form an integral part of the Company's risk management process	✓	Compliance will form part of the risk management process.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes	✓	Compliance risk will form part of the risk management framework and will be overseen by the Audit committee.
7.	Internal Audit		
7.1	The Board should ensure that there is an effective risk-based internal audit	✓	The Company will have an effective risk based internal auditor in place whom will report to the chairman of the Audit committee
7.2	Internal audit should follow a risk-based approach to its plan	✓	The internal auditor will follow a risk-based approach and report to the Audit committee
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management	✓	The internal auditor will provide a written assessment of the effectiveness of the Company's internal control and risk management to the Audit committee
7.4	The audit committee should be responsible for overseeing internal audit	✓	The Audit committee will be responsible for overseeing the internal auditor.
7.5	Internal audit should be strategically positioned to achieve its objectives	✓	The internal auditor will be independent and objective.
8.	Governing stakeholder relationships		
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation	✓	Stakeholder engagement is important to the Company and material stakeholders have been identified and will be engaged with on material and relevant issues.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships	✓	Management will proactively engage with relevant stakeholder Groups
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder Groupings, in the best interests of the Company	✓	The Company will engage with various stakeholder Groupings on relevant and material issues
8.4	Companies should ensure the equitable treatment of shareholders	✓	All holders of the same class of shares will be treated equitably and in accordance with the rights and terms applicable to such shares.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	✓	The Company will communicate with all stakeholders through various communications forms including but not limited to the AGM, Integrated Report, Results presentations, SENS announcements, one-on-one engagements etc.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	✓	Should disputes arise with stakeholders, this will be addressed in the appropriate forum and steps taken to ensure that such disputes are resolved effectively, efficiently and expeditiously.
9.	Integrated Reporting and disclosure		
9.1	The Board should ensure the integrity of the Company's integrated report	✓	The Board will be responsible for the integrated report including the integrity of the report.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting	✓	Sustainability reporting and disclosure will form an integral part of the integrated report.
9.3	Sustainability reporting and disclosure should be independently assured	✓	The Board will ensure that external assurance for the financial data for the year and in accordance with the International Standards on Accounting will be performed by the external auditors, the BBBEE Verification will be done through an accredited Agency and the Board will consider the external assurance of the non-financial data.

DIRECTOR PROFILES

EXECUTIVE DIRECTORS

Chief Executive Officer

Mogamat Samir Saban (39)

BCom (UCT) BCom (Hons) CTA CA(SA)

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

Investment

Chief Financial Officer

Isaiah Tatenda Bundo (34)

BCom (UCT) BCom (Hons) PGDA CA(SA)

Appointed: 1 February 2017

Nationality: Zimbabwean

Board sub-committee:

n/a

Sales and Marketing Director

Rushaan Isaacs (37)

University of Stellenbosch Management Development Programme

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

n/a

Expertise and experience:

Mr Saban is a qualified Chartered Accountant with more than 13 years commercial experience. Mr Saban completed his articles at Grant Thornton and spent almost two years at Pioneer Foods, one of the largest FMCG companies in South Africa. Thereafter Mr Saban joined Premier Fishing SA (Pty) Ltd in various senior financial positions since 2007. During 2009 Mr Saban was promoted to general manager of the Group and during 2011 appointed as the CEO. He has won numerous awards in the Group such as CEO of the year as well as outstanding management for the year. Mr Saban also attended the World Economic Forum in Dalian and Tianjin with the Group Chairman.

Expertise and experience:

Mr Bundo is a Chartered Accountant by profession with over 9 years of experience. Mr Bundo completed his articles with PKF and spent a year with Deloitte before joining Premier Fishing SA (Pty) Ltd. He has over 5 years of experience as the Group head of finance at Premier Fishing. As part of the executive management team he is responsible for the financial and administrative functions of the Group, IT, procurement, risk management, systems reviews, assisting operations teams on operations review and improvements and corporate finance. Mr Bundo has contributed greatly to the efficiency and accuracy of financial reporting in the Group as well as systems and operations reviews. He has won awards as the AEEI Group divisional finance head of the year for the 2012 and 2014 financial years.

Expertise and experience:

Mrs Isaacs currently heads up the sales division of Premier Fishing SA (Pty) Ltd. She has over 18 years of sales experience within the fishing industry managing and developing strategy for global markets within the various fishing sectors Premier Fishing is involved in. Mrs Isaacs has over the past years managed to build valuable relations within all of Premier Fishing's sectors and also achieved highest service levels and top branding positioning of all sectors. She has also won awards in the AEEI for Overall Top Achiever in 2014 and Emerging Executive of the Year in 2015.

NON-EXECUTIVE BOARD MEMBERS

Independent Non-executive Chairman

Reverend Dr Vukile Charles Mehana (64)

BTh (Rhodes University), AMP (INSEAD Business School, France, Certificate on Public Enterprises (National University of Singapore), MBA (De Montfort University), UK, DPhil (University of Johannesburg), Ordained Minister of the Methodist Church of Southern Africa

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

Nominations and Remuneration.

Expertise and experience:

Reverend Mehana is an ordained minister of the Methodist Church of Southern Africa, Adjunct Professor of UCT: Graduate School of Business and Top Management Certificate on Public Enterprise (National University of Singapore). Reverend Mehana is the chairman of the LR Management Group (Pty) Ltd and also sits on the boards of various companies as well as being an active leader in non-profit organisations. He is the independent non-executive chairman of African Equity Empowerment Investments Limited.

His major directorships include: LR Management Group (Pty) Ltd (chairman), J & C Engineering (Pty) Ltd (non-executive chairman), Mazwe Financial Services (non-executive chairman), Makana Investment Corporation (Pty) Ltd (non-executive director representing the Ex-Political Prisoners Trust), espAfrika (Pty) Ltd, Community Schemes Ombud Service (CSOS) (chairman), Mendo Holdings and Sizwe IT Group and the South African Police Services Transformation Task Team (chairman).

**Non-executive Deputy Chairman
Khalid Abdulla (51)**

BCompt (Hons) CTA MBA

Appointed: 1 December 2008

Nationality: South African

Board sub-committee:

Investment, Remuneration and Nominations

**Independent Non-executive Director
Salim Young (59)**

BProc LLB (UWC) LLM

Appointed: 1 February 2017

Nationality: South Africa

Board sub-committee:

Nominations and Remuneration.

**Independent Non-executive Director
Takudzwa Tanyaradzwa Hove (34)**

BCom (Hons) CA(SA), ACMA, CGMA

Appointed: 1 February 2017

Nationality: Zimbabwean

Board sub-committee:

Audit

**Independent Non-executive Director
Rosemary Phindile Mosia (49)**

Bcom (University of the North), PDM (Wits Graduate School of Business), Criminal Justice in Accounting (RAU). BCTA (RAU), Masters in Business Leadership (MBL) (University of South Africa)

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

Audit

**Independent Non-executive Director
Aziza Begum Amod (54)**

Appointed: 13 January 2014

Nationality: South African

Board sub-committee:

Remuneration, Social & Ethics and Transformation

Expertise and experience:

Mr Abdulla has been appointed to numerous company boards and NGOs. He has over 30 years' commercial experience related to healthcare, technology, financial services, events and tourism as well as fishing. He is a regular invitee and participant at the World Economic Forum in Africa as well as the Summer Davos in China. He was the recipient of the Black Business Executive Circle (BBEC)/Absa Bank Kaelo Awards in April 2010 for leadership. He was a finalist of the 2015 Oliver Empowerment Awards – Top Male Leader of the Year.

Mr Abdulla was ranked amongst the 10 best executives of 2015 by Financial Mail as one of the best CEOs in the country.

Expertise and experience:

Mr Young is an experienced business executive and corporate lawyer and is a former director of Webber Wentzel (formerly Mallinicks Inc.). Mr Young recently retired after a very successful 12 years as an executive director on the board of British American Tobacco SA, situated in Stellenbosch. During this time Mr Young also served as the appointed South African representative of the London-based BAT Plc whose secondary listing on the JSE ranks as the largest company by market capitalisation. Mr Young maintains board positions in a number of other companies and significant trusts including serving as an independent non-executive director on the board of African Equity Empowerment Investments Limited. He holds a post-graduate master's degree (LLM) in International Commercial Law from Tulane University in the United States as well as Certificates in Law from Georgetown University and Harvard University, respectively. He is one of the founders of Unipalm Investments. He also sits on the Company's investment and audit committees.

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 is very knowledgeable 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 (South Africa) (Pty) Ltd and is also responsible for mergers and acquisitions. He is also an independent non-executive director of African Equity Empowerment Investments Limited.

Expertise and experience:

Ms Mosia is a South African female professional, with more than 15 years experience in credit risk, financial and business management, amassed from various positions and different roles in her career life. In addition, she has extensive training in General and Credit Management, Finance, Internal Auditing and Forensic Auditing.

She was also involved in multiple roles including Internal Audit, Forensic Audit, Budget Management, Credit Risk Management, Operational Management, for the same financial services unit. Her experience in Audit was acquired over a six years period. She headed at a Regional/ Corridor level, the financial services unit of a large state owned entity.

She is currently the Chief Executive Officer (CEO) of Black Business Chamber which is an NGO and an emerging wine exporter.

Expertise and experience:

Ms Amod is a businesswoman who has successfully grown her import, export and manufacturing business into four branches and has more than 30 years' experience. She established a network of industries related to manufacturing and provided employment opportunities to the wider local community. She has published articles and her business has been featured in various business magazines. She is actively involved in various NGOs, outreach programmes and women's associations.

After exiting her business, she has taken up directorships in various organisations and business entities.

Non-executive Director**Cherie Felicity Hendricks (54)**

University of Cambridge Programme for Sustainability Leadership, Incite Sustainability Executive Programme

Appointed: 6 July 2009

Nationality: South African

Board sub-committee:

Social & Ethics, Transformation

Independent Non-executive Director**Clifford Leonard van der Venter (52)**

BCom degree (UNISA) and an MBA (UCT).

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

n/a

Independent Non-executive Director**Arthur William Johnson (49)**

BA Law (University of Cape Town), BCom (University of Cape Town), CFA (CFA Institute)

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

Audit and Investment

Independent Non-executive Director**Lavendra Sandrigasen Naidoo (48)**

Bachelor of Social Science (University of Cape Town)

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

Investment

Independent Non-executive Director**Fredelaine Elna Cindy Brand (28)**

LLB (University of the Western Cape)

Appointed: 1 February 2017

Nationality: South African

Board sub-committee:

Social & Ethics and Transformation

Expertise and experience:

Miss Hendricks is the corporate affairs and sustainability director responsible for corporate affairs, which include sustainability, regulatory compliance, corporate social investment and Group communication. She has more than 18 years' experience in the AEEI Group and currently sits on the boards of the Group's major investments and links the Group's subsidiaries with the Group's corporate office.

Expertise and experience:

Mr van der Venter is a seasoned professional with more than 30 years' experience in the corporate world.

He worked in the Financial Services industry (Old Mutual) doing mainly actuarial and consulting work in employee benefits and investments.

Mr van der Venter joined Caltex (now Chevron) and held numerous Human Resources positions culminating in his appointment as HR Director for Sub-Saharan Africa in 1999. He subsequently held HR Director positions at Unilever SA, Anglo American (seconded to Kumba Iron Ore) and British American Tobacco when he decided to take a career break. Over the last 2 years, he has operated as an independent Strategy and HR Consultant.

Apart from his deep expertise in the HR field and an obvious passion for people, his key strengths are in the areas of leading Organisational Change and Business Strategy development.

Expertise and experience:

Mr Johnson has obtained his law degree from the University of Cape Town in 1991 and also has a CFA qualification. He has been a director at 3 Laws Capital since 2011. He was previously the head of research at Trilinear Investment Manager from 2008 to 2010. He was a hedge fund manager at Breakwater Capital from 2007 to 2008. He was a portfolio manager at Metropolitan Asset Managers from 1999 to 2006.

He is involved in a number of charitable organisations and he has been a director at the Lifeline Energy charity since 2011.

Expertise and experience:

Mr Naidoo obtained his Bachelor of Social Science degree at the University of Cape Town in 1991.

He has also received a Certificate in Small Scale Enterprise Consultancy and Training from the Foundation for Expertise in Enterprise Development in 1993.

He also received a Certificate in Leadership Effectiveness Achievement Programme (LEAP 1) from the Nedcor Banking College in 1995. He attended the United States-South African Leadership Programme (USSALEP) and obtained a Certificate for Business Integration and Leadership Development (BUILD). He is a Qualified Facilitator on the Shell Livewire Training Programme.

He was the general manager at The Business Place eKapa from 2007 until 2015. He was previously the branch manager at Khethani Business Finance from 1998 to 2007. He is currently a general business consultant.

Expertise and experience:

Ms Brand completed her law degree in 2013. She has been employed at Fairdeal Auctioneers from 2009 to 2013. She has assisted the Stellenbosch Justice Centre from 2014 to 2016. She also mentored students as a reading facilitator at Help2Read from February 2013 until December 2013.

She is currently the internal legal counsel and company secretary at the Independent Media and Sekunjalo Group.

OTHER DIRECTORSHIPS

The table below sets out the names of the companies and other entities of which the Company's Directors, as well as the Directors of its Major Subsidiaries are or have been Directors, members or partners during the five years preceding the Last Practicable Date.

Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Salim Young	African Equity Empowerment Investments Limited	Deputy Chairman	Investment Holding company	Active
	Independent Media (Pty) Ltd	Director	Media	Active
	Insights Publishing (Pty) Ltd	Director	Media	Active
	Premier Fishing SA (Pty) Ltd	Director	Fishing	Active
	Loot Online (Pty) Ltd	Director	Online store	Active
	N M Phosa Foundation	Trustee	Community foundation	Active
Khalid Abdulla	African Equity Empowerment Investments Limited	Chief Executive Officer	Investment Holding company	Active
	Emimart (Pty) Ltd	Director	Holding company - dormant	Active
	Sekunjalo Consumer Products (Pty) Ltd	Director	Holding company	Active
	Business Venture Investments No 1581 (Pty) Ltd	Director	Holding company	Active
	Afrozaar (Pty) Ltd	Director	Digital Media	Active
	Western Cape Black Media Consortium (Pty) Ltd	Director	Holding company	Active
	Rose Bridge 28 (Pty) Ltd	Director	Shelf company - dormant	Active
	World Wide Creative (Pty) Ltd	Director	Digital innovation agency	Active
	Opispex (Pty) Ltd	Director	Holding company	Active
	Integrated Bioworks (Pty) Ltd	Director	Biotechnology	Active
	Repassen 56 (Pty) Ltd	Director	Shelf company - dormant	Active
	Bowwood and Main 180 (Pty) Ltd	Director	Investment holding company	Active
	AEEI Strategic Investments (Pty) Ltd	Director	Holding company	Active
	AEEI Financial Services (Pty) Ltd	Director	Financial services	Active
	AEEI Marine and Fishing (Pty) Ltd	Director	Aquaculture & fishing	Active
	AEEI Health and Biotechnology (Pty) Ltd	Director	Asset management	Active
	AEEI Asset Management (Pty) Ltd	Director	Asset management	Active
	AEEI Corporate Finance (Pty) Ltd	Director	Corporate finance	Active
	AEEI Investments (Pty) Ltd	Director	Holding company	Active
	AEEI Technology Solutions (Pty) Ltd	Director	Information technology	Active
	AEEI Properties (Pty) Ltd	Director	Properties	Active
	AEEI Enterprise Development (Pty) Ltd	Director	Enterprise development	Active
	John Ovenstone (Pty) Ltd	Director	Fishing	Active
	John Quality (Pty) Ltd	Director	Fishing	Active
	Chapman's Peak Fisheries (Pty) Ltd	Director	Fishing	Active
	Premier Fishing SA (Pty) Ltd	Director	Fishing	Active
	Fish Drying Corporation (Pty) Ltd	Director	Fishing	Active
	Kuttlefish SA (Pty) Ltd	Director	Fishing	Active
	Seagro Fertilisers (Pty) Ltd	Director	Organic fertiliser	Active
	Southern Ocean Fishing (Pty) Ltd	Director	Fishing	Active
	Tripos Travel (Pty) Ltd	Director	Travel	Active
	Health Systems Technologies (Pty) Ltd	Director	Information technology	Active
	Bioclones (Pty) Ltd	Director	Biotechnology	Active
	Atlantic Fishing Enterprises (Pty) Ltd	Director	Fishing	Active
	Marine Growers (Pty) Ltd	Director	Aquaculture	Active
	Kalula Communications (Pty) Ltd	Director	Information technology	Active

Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Khalid Abdulla	Ribotech (Pty) Ltd	Director	Biotechnology	Active
	Sekunjalo Technology Solutions (Pty) Ltd	Director	Information technology	Resigned
	Sekunjalo Properties (Pty) Ltd	Director	Properties	Resigned
	Sekunjalo Medical Trading (Pty) Ltd	Director	Medical devices	Active
	Wynberg Pharmaceuticals (Pty) Ltd	Director	Pharmaceuticals	Active
	Sekunjalo Medical Services (Pty) Ltd	Director	Fishing	Active
	Sekunjalo Food and Fishing (Pty) Ltd	Director	Fishing	Active
	Sekunjalo Industrial Holdings (Pty) Ltd	Director	Holding company	Active
	Sekunjalo Technology Solutions Group (Pty) Ltd	Director	Information technology	Active
	Capstone 186 (Pty) Ltd	Director	Fishing	Active
	SAAB Grintek Defence (Pty) Ltd	Director	Military defence and civil security	Active
	espAfrika (Pty) Ltd	Director	Events management	Active
	Hostprops 136 (Pty) Ltd	Director	Holding company	Active
	South Atlantic Jazz Festival (Pty) Ltd	Director	Events management	Resigned
	Sekunjalo Health and Medical Commodities (Pty) Ltd	Director	Healthcare	Active
	Digital Matter (Pty) Ltd	Director	Telematics devices	Active
	Puleng Technologies (Pty) Ltd	Director	Information technology	Active
	SAAB South Africa (Pty) Ltd	Director	Military defence and civil security	Resigned
	Premfresh Seafoods (Pty) Ltd	Director	Marketing	Active
	Rapivest 25 (Pty) Ltd	Director	Property	Active
	Motorelli Marketing (Pty) Ltd	Director	Marketing company - dormant	Active
	Saratoga Software (Pty) Ltd	Director	Information technology	Active
	African Biotechnological and Medical Innovation Investments (Pty) Ltd	Director	Biotechnology	Active
	Sekunjalo Enterprise Development (Pty) Ltd	Director	Enterprise development	Active
	Sekunjalo Aquaculture (Pty) Ltd	Director	Aquaculture	Active
	AEEI Events and Tourism (Pty) Ltd	Director	Events & tourism	Active
	Sekunjalo Empowerment Fund (Pty) Ltd	Director	Holding company	Active
	Premier Select (Pty) Ltd	Director	Fishing	Active
	Friedshelf 860 (Pty) Ltd	Director	Holding company	Active
	Wisdom Global Technology Solutions (Pty) Ltd	Director	Information technology	Active
	BT Communication Services (Pty) Ltd	Director	Data network & communications	Active
	Kilomix Investments (Pty) Ltd	Director	Holding company	Active
	Kilomax Investments (Pty) Ltd	Director	Holding company	Active
	Emergent Energy (Pty) Ltd	Director	Renewable energy	Active
	Magic 828 (Pty) Ltd	Director	Radio station	Active
Mogamat Samir Saban	Premier Fishing SA (Pty) Ltd	Chief Executive Officer	Fishing	Active
	Marine Growers (Pty) Ltd	Director	Aquaculture	Active
	Repassen 56 (Pty) Ltd	Director	Shelf company	Active
	Archid 28 (Pty) Ltd	Director	Shelf company	Active
	ZS Accommodation (Pty) Ltd	Director	Property	Active
	Southern Ambition 1733 CC	Member	Shelf company	Active
	Retrospective Trading 610 CC	Member	Dormant company	Resigned
	Poplar Trading 109 CC	Member	Dormant company	Active
Isaiah Tatenda Bundo	TAT Holdings (Pty) Ltd	Director	Holding company	Active
	TAT Empire Holdings (Pty) Ltd	Director	Property & farming	Active
	TAT Logistics and Haulage International (Pty) Ltd	Director	Dormant - Logistics	Active

Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Cherie Hendricks	Africa Equity Empowerment Investments Ltd	Director	Investment holding company	Active
	Southern Ambition 360 CC	Director	Manufacturing & construction	Active
	Emimart (Pty) Ltd	Director	Holding company - dormant	Active
	Triple Advanced Investments No 110 (Pty) Ltd	Director	Holding company	Active
	Business Venture Investments No 1584 (Pty) Ltd	Director	Holding company	Active
	Western Cape Black Media Consortium (Pty) Ltd	Director	Holding company	Active
	Eribex (Pty) Ltd	Director	Holding company	Active
	Aquarius Interactive Impact (Pty) Ltd	Director	Media	Active
	Obasat (Pty) Ltd	Director	Media	Active
	Sekunjalo Independent Media (Pty) Ltd	Director	Media	Resigned
	Obagyn (Pty) Ltd	Director	Media	Active
	Sekunjalo Independent Media Consortium Three (Pty) Ltd	Director	Media	Active
	African Technology and Media Holdings (Pty) Ltd	Director	Media	Active
	Sekunjalo Independent Media Technologies (Pty) Ltd	Director	Media	Active
	African Media Development (Pty) Ltd	Director	Media	Active
	Independent Media Digital Technology (Pty) Ltd	Director	Media	Active
	African News Agency (Pty) Ltd	Director	Media	Active
	Repassen 56 (Pty) Ltd	Director	Shelf company	Active
	Bowwood and Main 180 (Pty) Ltd	Director	Holding company	Active
	Surve Philanthropies	Trustee	Philanthropic trust	Active
	AEEI Strategic Investments (Pty) Ltd	Director	Holding company	Active
	AEEI Financial Services (Pty) Ltd	Director	Financial services	Active
	AEEI Marine and Fishing (Pty) Ltd	Director	Aquaculture & fishing	Active
	AEEI Health and Biotechnology (Pty) Ltd	Director	Biotechnology	Active
	AEEI Asset Management (Pty) Ltd	Director	Asset management	Active
	AEEI Corporate Finance (Pty) Ltd	Director	Corporate finance	Active
	AEEI Investments (Pty) Ltd	Director	Holding company	Active
	AEEI Technology Solutions (Pty) Ltd	Director	Information technology	Active
	AEEI Properties (Pty) Ltd	Director	Properties	Active
	AEEI Enterprise Development (Pty) Ltd	Director	Enterprise development	Active
	John Ovenstone (Pty) Ltd	Director	Fishing	Active
	John Quality (Pty) Ltd	Director	Fishing	Active
	Chapman's Peak Fisheries (Pty) Ltd	Director	Fishing	Active
	Premier Fishing SA (Pty) Ltd	Director	Fishing	Active
	Fish Drying Corporation (Pty) Ltd	Director	Fishing	Active
	Kuttlefish SA (Pty) Ltd	Director	Fishing	Active
	Seagro Fertilisers (Pty) Ltd	Director	Organic fertilisers	Active
	Southern Ocean Fishing (Pty) Ltd	Director	Fishing	Active
	Tripos Travel (Pty) Ltd	Director	Travel	Active
	Health Systems Technologies (Pty) Ltd	Director	Information technology	Active
	Bioclones (Pty) Ltd	Director	Biotechnology	Active
	Independent Newspapers (Pty) Ltd	Director	Media	Active
	Atlantic Fishing Enterprises (Pty) Ltd	Director	Fishing	Active
	Marine Growers (Pty) Ltd	Director	Aquaculture	Active
	Independent Media (Pty) Ltd	Director	Media	Active
	Ribotech (Pty) Ltd	Director	Biotechnology	Active

Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Cherie Hendricks	Sekunjalo Industrial Holdings (Pty) Ltd	Director	Holding company	Active
	Sekunjalo Technology Solutions (Pty) Ltd	Director	Information technology	Active
	Sekunjalo Properties (Pty) Ltd	Director	Property	Resigned
	Conde Nast Independent Magazines (Pty) Ltd	Director	Magazine company	Active
	Independent Digital SA (Pty) Ltd	Director	Media	Active
	Wynberg Pharmaceuticals (Pty) Ltd	Director	Pharmaceuticals	Active
	Sekunjalo Medical Services (Pty) Ltd	Director	Medical	Active
	Sekunjalo Food and Fishing (Pty) Ltd	Director	Fishing	Active
	Sekfish Investments (Pty) Ltd	Director	Fishing	Active
	Sekunjalo Technology Solutions Group (Pty) Ltd	Director	Information technology	Active
	espAfrika (Pty) Ltd	Director	Events management	Active
	Independent On-line (Pty) Ltd	Director	Media	Active
	Hostprops 136 (Pty) Ltd	Director	Holding company	Active
	South Atlantic Jazz Festival (Pty) Ltd	Director	Events management	Resigned
	Sekunjalo Oil Trading (Pty) Ltd	Director	Oil company	Active
	Sekunjalo Health and Medical Commodities (Pty) Ltd	Director	Healthcare	Active
	Linacre Investments (Pty) Ltd	Director	Holding company	Active
	Sekpharma (Pty) Ltd	Director	Healthcare	Active
	Promex Helath and Medical and Surgical Corporation (Pty) Ltd	Director	Medical equipment -dormant	Active
	Puleng Technologies (Pty) Ltd	Director	Information technology	Active
	Bamboo Accelerator	Trustee	Public benefit activities	Active
	Premfresh Seafoods (Pty) Ltd	Director	Fishing	Active
	African Biotechnological and Medical Innovation Investments (Pty) Ltd	Director	Biotechnology	Active
	Sekunjalo Enterprise Development (Pty) Ltd	Director	Enterprise development	Active
	Sekunjalo Power and Renewable Energies (Pty) Ltd	Director	Renewable energy	Active
	Sekunjalo Aquaculture (Pty) Ltd	Director	Aquaculture	Active
	AEEI Events and Tourism (Pty) Ltd	Director	Events & tourism	Active
	Sekunjalo Investments Group (Pty) Ltd	Director	Holding company	Active
	Sekunjalo Empowerment Fund (Pty) Ltd	Director	Holding company	Active
	Premier Select (Pty) Ltd	Director	Fishing	Active
	Schmitzdrift Mining (Pty) Ltd	Director	Mining	Active
	Sekunjalo Resources and Minerals (Pty) Ltd	Director	Mining	Active
	Friedshelf 860 (Pty) Ltd	Director	Holding company	Active
	Kilomix Investments (Pty) Ltd	Director	Holding company	Active
	Kilomax Investments (Pty) Ltd	Director	Holding company	Active
	Ke Nako African Concerts (Pty) Ltd	Director	Events company – dormant	Active
	Nkiruka Investments (Pty) Ltd	Director	Investment company - dormant	Active
	Magic 828 (Pty) Ltd	Director	Radio station	Active
Rushaan Isaacs	None	None		None
Aziza Begum Amod	African Equity Empowerment Investments Limited	Director	Investment holding company	Active
	Haifams Investments CC	Member	Property company	Active
	Saffron House CC	Member	Property company	Active
	Simply Spice CC	Member	Investment holding company	Active
	Shaikh's Exotics CC	Member	Investment holding company	Active

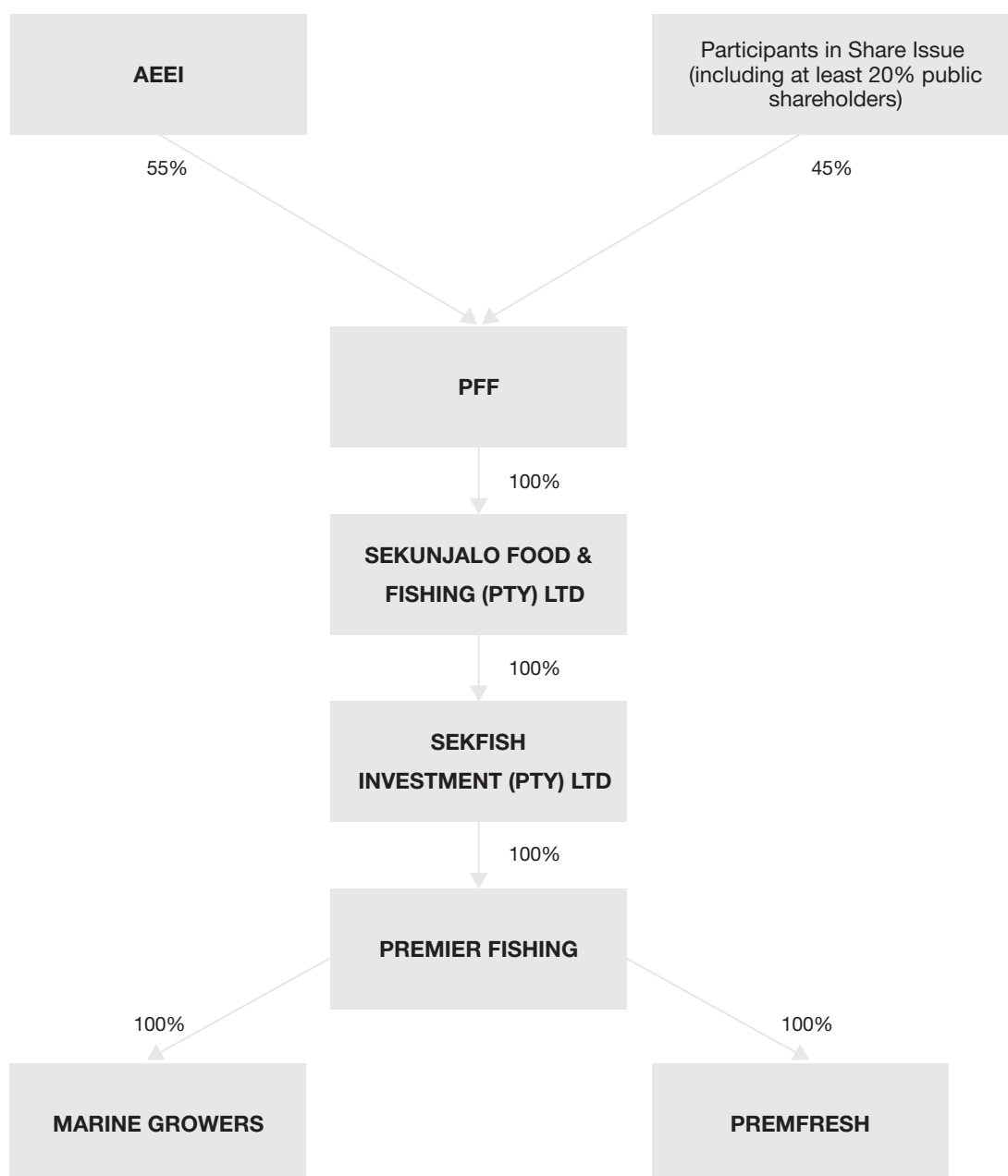
Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Aziza Begum Amod	Sekunjalo Independent Media (Pty) Ltd	Director	Media	Active
	Coriant (Pty) Ltd	Director	Investment holding company	Active
	Sekunjalo Independent Media Consortium One (Pty) Ltd	Director	Media	Active
	Viturway (Pty) Ltd	Director	Property	Active
	Cape Sunset Villas CC	Member	Guest house	Active
	Western Cape Black Media Consortium (Pty) Ltd	Director	Media	Active
	John Ovenstone (Pty) Ltd	Director	Fishing	Active
	John Quality (Pty) Ltd	Director	Fishing	Active
	Chapman's Peak Fisheries (Pty) Ltd	Director	Fishing	Active
	Premier Fishing SA (Pty) Ltd	Director	Fishing	Active
	Fish Drying Corporation (Pty) Ltd	Director	Fishing	Active
	Kuttlefish SA (Pty) Ltd	Director	Fishing	Active
	Seagro Fertilisers (Pty) Ltd	Director	Organic fertilisers	Active
	Southern Ocean Fishing (Pty) Ltd	Director	Fishing	Active
	Health Systems Technologies (Pty) Ltd	Director	Information technology	Active
	Atlantic Fishing Enterprises (Pty) Ltd	Director	Fishing	Active
	Marine Growers (Pty) Ltd	Director	Aquaculture	Active
	Sekunjalo Technology Solutions (Pty) Ltd	Director	Information technology	Active
	Sekunjalo Properties (Pty) Ltd	Director	Property	Active
	Wynberg Pharmaceuticals (Pty) Ltd	Director	Pharmaceuticals	Active
	Sekunjalo Food and Fishing (Pty) Ltd	Director	Fishing	Active
	Sekunjalo Industrial Holdings (Pty) Ltd	Director	Fishing	Active
	Sekunjalo Technology Solutions Group (Pty) Ltd	Director	Information technology	Resigned
	Sekunjalo Health and Medical Commodities (Pty) Ltd	Director	Healthcare – dormant	Resigned
	Premfresh Seafoods (Pty) Ltd	Director	Fishing	Active
	African Biotechnological and Medical Innovation Investments (Pty) Ltd	Director	Biotechnology	Active
	Sekunjalo Enterprise Development (Pty) Ltd	Director	Enterprise development	Active
	Sekunjalo Aquaculture (Pty) Ltd	Director	Aquaculture	Active
	AEEI Events and Tourism (Pty) Ltd	Director	Events & tourism	Active
	Sekunjalo Empowerment Fund (Pty) Ltd	Director	Investment holding company	Active
	Premier Select (Pty) Ltd	Director	Fishing	Active
	Friedshelf 860 (Pty) Ltd	Director	Investment holding company	Active
	African News Agency (Pty) Ltd	Director	Media	Active
	Bowwood and Main 180 (Pty) Ltd	Director	Investment holding company	Active
	Independent Media (Pty) Ltd	Director	Media	Active
	Sekunjalo Investments Holdings (Pty) Ltd	Director	Investment holding company	Resigned
	Sekunjalo Asset Management (Pty) Ltd	Director	Asset management – dormant	Active
	Sekunjalo Capital (Pty) Ltd	Director	Investment holding company	Active
	Sekunjalo Oil Trading (Pty) Ltd	Director	Oil company	Active
	Sekunjalo Financial Services (Pty) Ltd	Director	Financial services	Active
	Sekunjalo Africa Equity Fund 1 (Pty) Ltd	Director	Investment holding company	Active
	Linacre Investments (Pty) Ltd	Director	Investment holding company – dormant	Active
	Sekpharma (Pty) Ltd	Director	Healthcare	Active
	Haifams Investments (Pty) Ltd	Director	Property	Active
	Imagination Advisory and Distribution Services (Pty) Ltd	Director	Financial services	Active

Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Aziza Begum Amod	Pro Direct Investments 112 Ltd	Director	Property company	Active
	Promex Health and Medical and Surgical Cooperation Ltd	Director	Medical equipment – dormant	Active
	Umkhakaso Ikapa Investments Ltd	Director	Investment holding company	Resigned
	Modjadji African Empowerment Consortium Ltd	Director	Investment holding company	Resigned
	Sekunjalo Power and Renewable Energies (Pty) Ltd	Director	Renewable energy	Active
	Sekunjalo Investments Group (Pty) Ltd	Director	Investment holding company	Active
	3 Laws Capital South Africa (Pty) Ltd	Director	Investment holding company	Active
	Battswood Professional Football Club	Trustee	Football	Active
	Magic 828 (Pty) Ltd	Director	Radio station	Active
Takudzwa Tanyaradzwa Hove	Africa Equity Empowerment Investments Ltd	Director	Investment holding company	Active
	Sekunjalo Independent Media Technologies (Pty) Ltd	Director	Media	Active
	Insights Publishing (Pty) Ltd	Director	Media	Active
	Africity Media Group (Pty) Ltd	Director	Media	Active
	Allied Media Distributors (Pty) Ltd	Director	Media distribution	Active
	APF Parkade (Pty) Ltd	Director	Property	Active
	Premier Fishing SA (Pty) Ltd	Director	Fishing	Active
	Health Systems Technologies (Pty) Ltd	Director	Information technology	Resigned
	Independent Newspapers (Pty) Ltd	Director	Media	Resigned
	Marine Growers (Pty) Ltd	Director	Aquaculture	Resigned
	Independent Media (Pty) Ltd	Director	Media	Resigned
	Sekunjalo Technology Solutions (Pty) Ltd	Director	Information technology	Active
	Sekunjalo Properties (Pty) Ltd	Director	Property	Resigned
	Conde Nast Independent Magazines (Pty) Ltd	Director	Magazine company	Active
	Wynberg Pharmaceuticals (Pty) Ltd	Director	Healthcare	Resigned
	Sekfish Investments (Pty) Ltd	Director	Fishing	Resigned
	Sekunjalo Industrial Holdings (Pty) Ltd	Director	Investment holding company	Resigned
	espAfrika (Pty) Ltd	Director	Events management	Resigned
	Premfresh Seafoods (Pty) Ltd	Director	Fishing	Resigned
	AEEI Events and Tourism (Pty) Ltd	Director	Events & Tourism	Resigned
	Damient001 (Pty) Ltd	Director	Shelf company - dormant	Active
	Damient002 (Pty) Ltd	Director	Shelf company – dormant	Active
	Damient003 (Pty) Ltd	Director	Shelf company - dormant	Active
	Damient004 (Pty) Ltd	Director	Shelf company – dormant	Active
	Damient005 (Pty) Ltd	Director	Shelf company - dormant	Active
	Damient006 (Pty) Ltd	Director	Shelf company – dormant	Active
	Damient007 (Pty) Ltd	Director	Shelf company – dormant	Active
	Damient008 (Pty) Ltd	Director	Shelf company - dormant	Active
	TAT Logistics and Haulage International (Pty) Ltd	Director	Logistics company	Active
	TAT Holdings (Pty) Ltd	Director	Holding company – dormant	Active
	Imagination Advisory and Distribution Services (Pty) Ltd	Director	Financial services	Active
	The Highway Mail (Pty) Ltd	Director	Media	Active
	Independent Online Property Join Venture (Pty) Ltd	Director	Property company	Active
	TAT Empire Holdings (Pty) Ltd	Director	Investment holding company – dormant	Active

Director	Name of Company or Entity	Capacity	Nature of Business / Sector	Active / Resigned
Takudzwa Tanyaradzwa Hove	Sekunjalo Capital (Pty) Ltd	Director	Financial services	Resigned
	Sekunjalo Financial Services (Pty) Ltd	Director	Financial services	Active
	Sekpharma (Pty) Ltd	Director	Healthcare	Resigned
	Outmedia Support Services (Pty) Ltd	Director	Media	Active
Clifford Leonard van der Venter	VDV Ventures (Pty) Ltd	Director	Investment company - dormant	Active
Reverend Dr Vukile Charles Mehana	African Equity Empowerment Investments Limited	Chairman	Investment holding company	Active
	The L R Management Group (Pty) Ltd	Chairman	Management consulting	Active
	espAfrika (Pty) Ltd	Chairman	Events management	Active
	MM and M Property (Pty) Ltd	Director	Property company	Active
	Digital Landmark (Pty) Ltd	Director	Digital company	Active
	Mendo Cables (Pty) Ltd	Director	Cabling company	Active
	Loxisource (Pty) Ltd	Director	Holding company	Active
	Healing Ministries	Director	Ministry	Active
	Pula Capital Partners (Pty) Ltd	Director	Private equity	Active
	Mendo Property Holdings (Pty) Ltd	Director	Property company	Active
	Mendo Rail (Pty) Ltd	Director	Rail company	Active
	Hizopoint (Pty) Ltd	Director	General business	Active
	Healing Well Ministries Church	Director	NPO – Ministry	Active
	Amanguni Mobile and Telecoms (Pty) Ltd	Director	Mobile & telecommunications	Active
	Mustek Limited	Director	Electronics company	Active
	Makana Investment Corporation (Pty) Ltd	Director	Investment company	Active
	Kimru Marketing (Pty) Ltd	Director	Marketing company	Active
	Sizwe Africa IT Group (Pty) Ltd	Chairman	IT solutions provider	Active
	Kimru IT Logix (Pty) Ltd	Director	Information technology	Active
	Mendo Holdings (Pty) Ltd	Director	Contract cleaning services company	Active
	Mazwe Financial Services (Pty) Ltd	Director	Financial services company	Active
	Bamboo Accelerator (Pty) Ltd	Director	PBO – philanthropic company	Active
	Dr Mehana and Associates (Pty) Ltd	Director	Insurance agency	Active
	Learning Resources (Pty) Ltd	Director	Manufacturers and markets educational games	Active
	Abazami Mining Projects (Pty) Ltd	Director	Financial institution	Active
Rosemary Phindile Mosia	Collateral Trading 68 (Pty) Ltd	Director	General trading company	Active
	The Bridge of Hope Wines	Director	Wine exporter	Active
	The South African Nuclear Energy Corporation Limited	Director	Research & development of nuclear energy and radiation sciences and technology	Active
Lavendra Sandrigasen Naidoo	Passionate about Properties (Pty) Ltd	Director	Property company	Active
	The Delft Big Band	Director	Music academy – NPO	Active
Arthur William Johnson	3 Laws Capital (Pty) Ltd	Director	Asset management company	Active
	Lifeline Energy (Pty) Ltd	Director	NPO charity	Active
Fredelaine Elna Cindy Brand	–	–	–	–

STRUCTURE OF THE PFF GROUP

Anticipated shareholding structure of the Company on Listing Date



DETAILS OF MAJOR SUBSIDIARIES OF THE COMPANY AND INTERGROUP LOANS

MAJOR SUBSIDIARIES

Subsidiary	Reg No	Place	Incorporation Date	Issued share capital held	Nature of Business
Premier Fishing	1952/002671/07	Cape Town	23 October 1952	100%	Food and fishing company
Premfresh	2003/022688/07	Cape Town	11 September 2003	100%	Sales and marketing in fishing industry

MATERIAL INTERGROUP LOANS

Subsidiary	Intergroup loan balance (R) dt/(ct)	Rate of interest p.a.	Name of subsidiary/ holding company	Security provided	Conversion or redemption rights	Short-term capital repayments (within 12 months) and how same are to be financed
PFF	Amount: R62 092 132 No fixed date of repayment. Purpose of loan: Internal treasury function	15.5%	AEEI	N/A	N/A	N/A
PFF	Amount: R15 907 176 No fixed date of repayment. Purpose of loan: Internal treasury function	12.0%	AEEI	N/A	N/A	N/A

DETAILS REGARDING PRINCIPAL PROPERTIES OCCUPIED

No	Location	Area (m ²)	Tenure	Lease expiration	Monthly rental (R)
1	V & A Waterfront Cape Town	13 000	Lessee	2019 with first right of refusal for another 10 years 2028	R648 000
2	Gansbaai	7 689	Lessee	30 April 2021	R24 766
3	Saldanha Bay Harbour	6 000	Lessee	In the process of renewing, currently on a month to month basis with the Department of Public Works	R283 000
4	Hout Bay	1 890	Lessee	In the process of renewing, currently on a month to month basis with the Department of Public Works	R3 150

DIRECTORS OF MAJOR SUBSIDIARIES

The table below contains particulars of the Directors of the Company's Major Subsidiaries

PREMIER FISHING

Full name	Age	Capacity	Business Address
Salim Young	59	Director	17 Belair Drive, Constantia, Cape Town, 8001
Khalid Abdulla	51	Director	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Mogamat Samir Saban	39	Director	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Aziza Begum Amod	54	Director	26 Mayfield Avenue, Rondebosch, Cape Town, 8001
Takudzwa Tanyaradzwa Hove	34	Director	10th Floor, Conventional Tower, Heerengracht Street, Cape Town, 8000
Cherie Felicity Hendricks	54	Director and Company Secretary	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Chantelle Rae Ah Sing	41	Director	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001

PREMFRESH

Full name	Age	Capacity	Business Address
Aziza Begum Amod	54	Director	26 Mayfield Avenue, Rondebosch, Cape Town, 8001
Khalid Abdulla	51	Director	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001
Cherie Felicity Hendricks	54	Director and Company Secretary	Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront, Cape Town, 8001

SALIENT TERMS OF THE PFF SIT

This Annexure 15 contains extracts of various provisions from the PFF SIT Deed. In each case, the numbering and wording below matches that of the applicable provisions in the PFF SIT Deed. For a full appreciation of the provisions of the PFF SIT Deed, Shareholders are referred to the full text of the PFF SIT Deed, which is available for inspection, as provided for in paragraph 22 of the Pre-listing Statement.

2. CONSTITUTION AND OBJECT

- 2.4 The main object and purpose of the Company adopting the Share Scheme is the incentivisation and retention of Employees and to this extent the Share Scheme as contemplated in this Trust Deed will not to be used for trading purposes. The Trust is adopted to facilitate and govern the implementation of the Share Scheme. Employees, as beneficiaries of the Share Scheme, shall be provided with an incentive to advance the interests and growth of the Group Companies by awarding to them in terms of the Share Scheme the opportunity to acquire and obtain the benefit of Shares in the Company.

4. TRUSTEES

- 4.1 Reverend Vukile Charles Mehana, Salim Young and Takudzwa Tanyaradzwa Hove are hereby appointed as the First Trustees of the Trust and they accept such appointment by their signatures to this Deed, including, without limitation, their obligation to administer the Trust property from time to time and to further the object of the Trust in accordance with the provisions of this Deed.
- 4.2 The number of Trustees shall at all times not be less than 2 (two) nor more than 5 (five).
- 4.3 A Trustee may not be or become a Beneficiary under this Trust whilst acting as a Trustee.
- 4.4 Executive Directors of the Company may not be appointed as Trustees of the Trust. Non-executive Directors, subject to any restriction contained in the Act, may be appointed as Trustees, provided they do not benefit from the Scheme.

6. TERMINATION OF OFFICE AS A TRUSTEE

Each Trustee shall remain in office until such Trustee ceases to hold office as contemplated in this clause 6. A Trustee shall cease to hold office as such upon –

- 6.1 such Trustee's estate being sequestrated; or
- 6.2 such Trustee having become incapacitated in law to hold the office of trustee, in the circumstances as contemplated in section 20(2) of the Trust Property Control Act; or
- 6.3 such Trustee having been removed from office at any time if the Board is of the opinion that such Trustee is not fulfilling his role as contemplated herein; or
- 6.4 the Board giving one calendar month's notice in writing to such Trustee that such Trustee has been removed from office; or
- 6.5 such Trustee having resigned at any time on giving one calendar month's notice in writing to the Company, provided that the Board may, at the request of a Trustee, waive the full period of notice; or
- 6.6 such Trustee becoming disqualified, in terms of the Act or any other law or regulation, from holding an appointment as a director of a company (or similar position); or
- 6.7 such Trustee having been removed from a position of trust or as a trustee from another trust with similar provisions as described in this clause 6; or
- 6.8 such Trustee becoming a Participant under the Scheme.

7. SUCCESSION AND APPOINTMENT OF TRUSTEES

- 7.1 Upon any Trustee succeeding to office as Trustee, he shall, in his representative capacity, automatically become vested with the assets and liabilities of the Trust and in every way, with immediate effect, take the place of and assume the powers and duties of the Trustee whom he has succeeded.
- 7.2 On any Trustee ceasing to hold office for any reason whatsoever, the Board may, subject to clause 4, appoint a successor, but who may not be –
- 7.2.1 a Beneficiary;
- 7.2.2 an executive Director of the Company; or
- 7.2.3 disqualified from holding such office by virtue of the provisions of clause 6,
- 7.2.4 as a Trustee to fill the vacancy.
- 7.3 The Board shall be entitled from time to time to appoint additional trustees, subject to the maximum number of Trustees and other restrictions provided for in clauses 4 and 7.2 above.

8. POWERS OF TRUSTEES

- 8.1 The Trustees shall, in addition to such other powers as may be conferred upon them by law or in terms of this Deed (whether express or implied), and subject to any other provisions of this Deed and any applicable peremptory statutory or regulatory provisions have the following powers –
- 8.1.1 to implement the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.2 to implement the principles of the Share Scheme;
 - 8.1.3 to acquire Shares for purpose of the Share Scheme, either by original subscription, purchase through the market or otherwise, exchange or any other means, and upon such terms as they in their discretion may deem fit, provided that –
 - 8.1.3.1 any Shares purchased through the market will not be taken into account when calculating the number of Shares utilised by the Share Scheme;
 - 8.1.3.2 the provisions of paragraphs 3.63 to 3.74 of the JSE Listings Requirements apply *mutatis mutandis* to any dealings by the Trustees, save for the circumstances pursuant to paragraph 3.92 being present; and
 - 8.1.4 Shares may not be purchased during a prohibited period (as defined in the JSE Listings Requirements), unless the Scheme has in place a purchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Shares independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the purchase programme submitted to the JSE;
 - 8.1.5 to acquire any other marketable securities, whether in the Company or otherwise, either by original subscription, purchase (including the purchase of securities through the stock market in order to satisfy any obligations in terms of the Scheme), exchange or any other means, and upon such terms as they in their discretion may deem fit provided that the acquisition thereof falls within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.6 to sell, exchange, donate, alienate, pledge, encumber or in any other manner deal with, dispose of or transfer Shares or the marketable securities as contemplated in 8.1.5 upon such terms as they in their discretion may deem fit;
 - 8.1.7 to participate in any Rights Offer or Capitalisation Issue (including any dividend capitalisation issue) of the Group Companies or in respect of any other company (to the extent applicable);
 - 8.1.8 to buy back Shares or other marketable securities from Participants and to sell such Shares or marketable securities to the Company if the Company lawfully wishes to acquire its own Shares or other Group Company shares or to acquire such marketable securities;
 - 8.1.9 to acquire assets for such purposes and upon such terms as they in their discretion may deem fit, provided that the acquisition of such assets falls within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.10 to take and act upon any expert or professional advice that may be required for any purposes of the Scheme;
 - 8.1.11 subject to any applicable statute, to open and operate accounts of all descriptions with registered financial institutions as may be required for the efficient administration of the Scheme;
 - 8.1.12 to draw, accept, make or endorse cheques, bills of exchange or promissory notes for and on behalf of the Trust in administering the Scheme;
 - 8.1.13 to exercise all rights conferred by shares and any other assets beneficially held by the Trust including voting rights, rights of conversion and redemption, rights to take up further allotments of shares (including by way of rights or Capitalisation Issues) and the like as they in their discretion may deem fit. As indicated in clause 37.4, Shares held by the Trust will not have their votes at general or annual general meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements;
 - 8.1.14 to invest the surplus moneys of the Trust in such investments as they in their discretion may determine and to realise any such investment and to reinvest the proceeds thereof;
 - 8.1.15 subject to the provisions of the Act, and with the prior written approval of the Board, to borrow or raise moneys from Group Companies or any other third party for the purposes of the Share Scheme (including for the purposes of subscribing for or purchasing Shares or other marketable securities), on such terms as they in their discretion may deem fit;
 - 8.1.16 to delegate to any person the performance of any acts which they are entitled to perform or exercise under this Deed;
 - 8.1.17 subject to the provisions of the Act, and with the prior written approval of the Board, to make loans to any persons (including Participants), whether interest-bearing or otherwise or whether secured or unsecured, for any purpose considered by the Trustees to be within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.18 instead of acting personally, to employ, and to pay, any attorney or any other person to transact business or do any act of whatsoever nature to be done pursuant to this Deed provided that any reasonable payment made in terms hereof shall be refunded to the Trustees by the Trust and/or the Company; and

- 8.1.19 to exercise such further rights, powers and authorities as may from time to time be conferred upon them under the Share Scheme or by resolution of the Board or, if applicable, by Shareholders in general meeting.
- 8.1.20 The Trustees shall have –
- 8.1.21 full capacity to contract on behalf of the Trust, subject always to such limitations, if any, as may be imposed by this Deed, provided that, subject to any applicable statute, they will under no circumstances be personally liable in respect of any such contract; and
- 8.1.22 *locus standi in judicio* and be capable of bringing, defending, opposing, withdrawing, settling and/or otherwise acting in connection with any proceedings whatsoever in or before any court, or in any arbitration, or before any other forum, provided that all costs reasonably incurred by them in that regard shall be for the account of the Trust;
- 8.1.23 without in any way derogating from the powers and authorities hereinbefore vested in the Trustees, such ancillary and/or additional powers as shall be necessary or requisite (including the power to sign all necessary or requisite documentation) to enable them from time to time to deal with all matters appertaining to the Trust and the Share Scheme hereunder in such manner as they shall in their discretion deem advisable in the interests of the Trust and/or any Beneficiary hereunder;
- 8.1.24 the power to pay any surplus funds held by the Trust from time to time (after discharging liabilities and having made provision for contingent liabilities) to the Company;
- 8.1.25 the power, in their sole discretion, to resolve to distribute any income and/or capital assets of the Trust to the Company in which event such income and/or capital assets shall vest in the Company in the financial year in which such resolution was passed.

10. VOTING OF TRUSTEES

Decisions of Trustees shall be passed by majority of votes of the Trustees present at the meeting, provided that in the event that there are, at any time, only 2 (two) Trustees in office, a decision of the Trustees shall be the unanimous decision of both of them.

14. REMUNERATION OF TRUSTEES

- 14.1 The Trustees may receive for their services as trustees such remuneration as may from time to time be approved by the Board.
- 14.2 The Trustees shall be entitled to be reimbursed for all expenses incurred by them in connection with the execution of their duties as trustees, including, if for any reason they are at any time required to furnish security, the costs from time to time of furnishing such security.

16. ACQUISITION BY TRUST AND FINANCIAL ASSISTANCE TO THE TRUST

- 16.1 The Board may from time to time offer Shares to the Trust or grant options to such Shares to the Trust in respect of Shares which do not exceed the scheme allocation determined in terms of clause 19 below. The Shares referred to in this clause 16.1, or any options in respect thereof are intended to enable the Trustees (in addition to any other Shares acquired by the Trust in terms of this Deed) to fulfil any obligations to Participants or otherwise from time to time in terms of this Deed. The provisions of clause 26.1 shall apply *mutatis mutandis* to any applicable provisions of this clause 16.1.
- 16.2 Subject to the provisions of this Deed, the purchase or subscription price of Shares acquired by the Trust pursuant to the Share Scheme, the costs incurred in the acquisition of such Shares, any duties payable upon the transfer of Shares, any disbursements and expenditure incurred by the Trustees in their capacity as such, any amount due to the Trustees in terms of clause 14, any amount in respect of which a Trustee has been lawfully indemnified in terms of clause 15 and any money required to effect any loans under the Share Scheme or to comply with the obligations of the Trustees under this Trust Deed or repayment of any previous borrowings by the Trustees shall be met out of –
 - 16.2.1 loans to be made to the Trust by any of the Group Companies in accordance with the provisions of sections 44 and 45 of the Act;
 - 16.2.2 contributions, awards or funds other than in the form of a loan, to be provided to the Trust by any of the Group Companies;
 - 16.2.3 loans by third parties (plus any interest thereon) to the Trust to be procured by the Board upon such terms as the Board is able to arrange having due regard to the provisions of sections 44 and 45 of the Act; and
 - 16.2.4 the Trust's own resources, if any,

as the Board may from time to time direct. The Company undertakes to ensure that the Trust shall at all times be in a position to fund the acquisition by it (whether by purchase or subscription) of Shares under the Share Scheme.
- 16.3 Any loss incurred by the Trust pursuant to the implementation of the Share Scheme shall be borne by the Company or the applicable Group Company/s unless the Board determines to the contrary.
- 16.4 The Trust shall not be entitled to any capital gain or profit on any transactions undertaken by it (including in relation to any Shares) and no such capital gain or profit shall accrue to it, unless the Board determines in writing to the contrary. The Trust (unless the Board determines in writing to the contrary) shall cede and transfer to the Company or the applicable Group Company/s from time to time upon request, as a *quid pro quo* for clauses 16.3 and 36.4, its right to any capital gain or profit, which may arise from any such transaction undertaken by it.

18. AWARDING OF OPTIONS

- 18.1 The Board, subject to clause 19.4, may from time to time instruct and authorise the Trustees in writing to award Options to such Employees selected by it to participate in this Scheme (“**the Resolution**”). The Resolution shall specify the name of the Employee, the number of Options, the Option Date, the Strike Price and any other relevant terms and conditions as may be determined by the Board. Each such Option shall be offered for purchase at the Strike Price. The Trustees shall as soon as practicable award the Options to the persons named in the Resolution, which award shall be in writing and specify the number of Options, the Option Date, the Strike Price, the obligation of the Participant to adhere strictly to the terms of this Deed (which shall be made available at all times to any Participant) and any other relevant terms and conditions as may be determined by the Trustees.

- 18.2 All Options shall be subject to the provisions of the Trust Deed.
- 18.3 The Board shall determine Employees selected to participate in this Scheme and the number of Options awarded to such Employees based on the main object and purpose of the Trust (as contemplated in clause 2.4) and having regard to incentivising Employees based on recommendations by management and directors of the Company and/or any other Group Companies, to the extent applicable.
- 18.4 The frequency of the awarding of Options (including any new or additional Options from time to time) shall be determined by the Board from time to time.
- 18.5 The Board shall be under no obligation to award any Options to Employees or to award the same or similar amount of Options to Employees.

19. PARTICIPATION ALLOCATION AND AMOUNT

- 19.1 The persons eligible for participation in the Share Scheme shall be such Employees determined in accordance with the provisions of this Trust Deed.
- 19.2 The *modus operandi* in terms whereof the Trust procures or acquires Options or Shares for the purposes hereof shall be in terms of clause 16.1 above or as otherwise determined between the Board and the Trustees.
- 19.3 The maximum aggregate number of Shares that may be utilised for the purposes of this Share Scheme, shall not exceed 2 600 000 (two million six hundred thousand) Shares.
- 19.4 The maximum number of Shares that may be acquired by any one Beneficiary in terms of the Share Scheme, shall not exceed 700 000 (seven hundred thousand) Shares.
- 19.5 The limits contained in clauses 19.3 or 19.4 are subject to any adjustment in terms of clause 26 below.
- 19.6 Save as expressly indicated otherwise in this Trust Deed, Scheme Shares shall in all respects rank *pari passu* with ordinary issued Shares of the Company, including as to voting, dividend, transfer and other rights and as to rights arising on a liquidation of the Company.
- 19.7 The Company shall make timeous application for any listing on the JSE of the Scheme Shares (to the extent applicable).

20. OPTIONS

- 20.1 An Option –
 - 20.1.1 shall be awarded on the basis that if the Option is exercised the purchase price payable by the Beneficiary concerned will be the Strike Price;
 - 20.1.2 shall, save to any extent permitted in terms of this Trust Deed, be personal to and only capable of being accepted by the Beneficiary to whom it is granted;
 - 20.1.3 shall be exercised within the relevant period specified in terms of this Deed;
 - 20.1.4 shall be exercised in writing and duly signed by the Beneficiary concerned or, if after his death it is capable of being exercised by the executors of his estate, by such executors. Such exercise shall include a physical address (and, if available, a telefax number or e-mail address), which address (and telefax number or e-mail address) shall constitute the *domicilium citandi et executandi* of such Beneficiary for all purposes in terms of the Scheme. Any notice addressed to the said *domicilium* of such Beneficiary shall, if sent by prepaid registered post, be deemed to have been received on the 5th (fifth) day after posting (unless the contrary is proved) and shall, if delivered by hand to a responsible person during ordinary business hours, be deemed to have been received on the day of delivery (unless the contrary is proved) and shall, if sent by telefax or e-mail, be deemed to have been received on the date of despatch (unless the contrary is proved). Notwithstanding anything to the contrary contained in this clause 20.1.4 any notice actually received by a Beneficiary shall be an adequate notice for the purposes hereof notwithstanding the fact that it was not sent to or delivered to the said *domicilium* of the Beneficiary;
 - 20.1.5 shall, as to the number thereof awarded from time to time to any Beneficiary, be determined by the Board, in its discretion;
 - 20.1.6 may be awarded from time to time during the existence of the Scheme (subject always to clause 19);
 - 20.1.7 may only be exercised in respect of 100 (one hundred) Shares or multiples thereof at a time, or in full (if permitted in terms of this Deed);
 - 20.1.8 shall, pursuant to the exercise of an Option, be settled upon a Beneficiary only by way of the delivery of Shares and a Beneficiary shall not be entitled to receive cash in lieu of Shares (it being recorded that, for the purposes of International Financial Reporting Standard 2, the foregoing shall be an equity-settled share-based payment transaction);
 - 20.1.9 shall be awarded on the basis that the number of Scheme Shares to be delivered to a Beneficiary, and the discharge of the Strike Price in respect of such Shares, shall be on a delivery versus payment method in accordance with the provisions of this Trust Deed; and
 - 20.1.10 shall be governed by the provisions of this Trust Deed, to which the Beneficiary shall strictly adhere.
- 20.2 Save to any extent contemplated to the contrary in this Trust Deed, the risk in the Scheme Shares shall pass to the Beneficiary on the exercise of the Option.
- 20.3 Ownership or any other vested rights in and to the Scheme Shares shall only pass to the Beneficiary on delivery in terms of clause 23 and against payment of the Strike Price and fulfilment of any other obligations of the Beneficiary in terms of this Deed.

- 20.4 Delivery and registration of Scheme Shares to a Beneficiary shall only take place subject to compliance with the provisions of clause 20.3 and any other applicable provisions of this Deed.
- 20.5 An Option shall immediately lapse –
- 20.5.1 to the extent that it is not exercised within the Exercise Period of such Option; or
 - 20.5.2 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, is dismissed from employment by a Group Company on grounds of misconduct, poor performance, dishonesty or fraudulent conduct; or
 - 20.5.3 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, ceases to be employed by any Group Company for any reason whatsoever, save to any extent expressly contemplated in terms of clause 25 below; or
 - 20.5.4 to the extent contemplated in terms of this Trust Deed; or
 - 20.5.5 upon the Beneficiary making application for the voluntary surrender of his estate or his estate becoming subject to any provisional or final order for its sequestration or upon any attachment of any interest of a Beneficiary under the Scheme unless the Board in its discretion passes a resolution to the contrary within 60 (sixty) days of such voluntary surrender, sequestration or attachment.
- 20.6 Neither an Option, nor any rights awarded thereunder may be transferred, ceded, pledged or alienated in any way whatsoever, save as may be expressly permitted in terms of this Trust Deed.

21. OPTION EXERCISE

- 21.1 Options forming part of any Employee Allocation shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of –
- 21.1.1 25% (twenty-five percent) thereof vesting as at the 2nd (second) anniversary of the Option Date (“**First Vesting Date**”);
 - 21.1.2 25% (twenty-five percent) thereof vesting as at the 3rd (third) anniversary of the Option Date (“**Second Vesting Date**”);
 - 21.1.3 25% (twenty-five percent) thereof vesting as at the 4th (fourth) anniversary of the Option Date (“**Third Vesting Date**”); and
 - 21.1.4 25% (twenty-five percent) thereof vesting as at the 5th (fifth) anniversary of the Option Date (“**Fourth Vesting Date**”).
- 21.2 An Option must be exercised during the applicable Exercise Period of such Option (“**Option Exercise Date**”) and such exercise, and the Scheme Shares acquired pursuant to such exercise, shall be governed by the applicable provisions of this Trust Deed. For the avoidance of any doubt, and having regard to the provisions of clauses 20.5.1 and 21.1, the Exercise Period for Options falling due at the First Vesting Date, the Second Vesting Date, the Third Vesting Date and the Fourth Vesting Date (as the case may be) shall be within 30 (thirty) days of each of such First Vesting Date, Second Vesting Date, Third Vesting Date and Fourth Vesting Date (as the case may be).
- 21.3 The Board, in its discretion, may instruct the Trustees to reach more favourable alternative arrangements with Participants or the relevant executor or legal representative in regard to the date or time limits of the lapsing of an Option or the exercising of an Option or the date of payment of the Strike Price (including in respect of any dates or time limits contemplated in clauses 20, 21, 24 and 26 hereof) or the manner for effecting payment thereof, provided that any such extension of dates or time limits shall not exceed 12 (twelve) months.
- 21.4 Failure by a Beneficiary to exercise an Option timeously in accordance with the provisions of this clause 21 shall result in the lapsing of such Option.
- 21.5 Failure by a Beneficiary to comply faithfully and timeously with all his obligations in terms of the Trust Deed shall result in the immediate lapsing of his Options unless the Board instructs the Trustees to the contrary.

24. FINANCIAL ASSISTANCE TO BENEFICIARIES

- 24.1 Subject to the provisions of the Act and in amplification of clauses 8.1.15 and 8.1.17, in respect of any Beneficiary (or the relevant executor or legal representative of a Beneficiary’s deceased estate) (“**Borrower**”) who has exercised all or part of his Options in such manner as is contemplated in terms of this Trust Deed, the Trustees (“**Lender**”) shall, in their absolute and unfettered discretion, with the prior written approval of the Board, be entitled to provide financial assistance to the Borrower for the purpose of assisting the Borrower in fulfilling the monetary obligations arising due to the exercise of all or part of his Options in terms of this Trust Deed, which obligations shall include, *inter alia*, the payment of the Strike Price in respect of such Options so exercised and any Beneficiary Taxation (“**the loan**”), subject to the following terms and conditions –
- 24.1.1 the Borrower shall be required to provide the Lender with a deposit equal to at least 10% of the loan value in cash on the applicable Option Exercise Date;
 - 24.1.2 the Borrower shall be required, in a separate agreement, to pledge *in securitatum debiti* such number of Shares (whether or not they are the Scheme Shares to be delivered to the Borrower as contemplated in this clause 24) as is equal to (or more than) 130% (one hundred and thirty percent) of the loan value, unless the Trustees on reasonable grounds decide otherwise, with the value of such security to be calculated in *mutatis mutandis* the same manner as the Strike Price (“**the security**”);

- 24.1.3 to the extent that the value of the security as calculated by the Lender continues to fall below aforementioned percentage in clause 24.1.2 above for a period of at least 5 (five) business days, the Lender shall be entitled to forthwith perfect all or part of the security so as to reduce any outstanding balance in respect the loan and in so doing restore the requisite percentage cover, to the extent additional security is not provided by the Borrower;
- 24.1.4 any outstanding balance in respect of the total amount borrowed by the Borrower from time to time shall attract interest at the South African Revenue Services fringe benefit rate, which shall accrue and be compounded annually in arrears and be payable annually by the Borrower;
- 24.1.5 the capital amount outstanding in respect of the loan, together with all interest accrued thereon, must be paid in full within 3 (three) years of such capital amount having been advanced to the Borrower by the Lender;
- 24.1.6 subject to the provisions of clause 25 and notwithstanding the provisions of clause 24, if the Borrower ceases to be an Employee at any time while any amount (whether capital or interest) in respect of the loan is outstanding, the full amount of the loan plus all interest that accrues thereon shall become due and payable within 7 (seven) days of written notice thereof by the Lender to the Borrower and interest at the prime rate of interest plus 3% (Three Percent) shall be payable on any outstanding amount unless the Lender resolves otherwise. The Lender shall furthermore be entitled forthwith to perfect all or part of the security so as to effect repayment of the full loan amount, including interest that may be outstanding.

33. AMENDMENTS TO THE TRUST DEED

33.1 Subject to –

- 33.1.1 the approval by Shareholders and/or the JSE, if and to the extent that such approval/s are required in terms of any law and the JSE Listings Requirements (including schedule 14 of the JSE Listings Requirements); and
- 33.1.2 compliance with any applicable law and the JSE Listing Requirements (including the provisions contained in paragraph 14.1 of Schedule 14 of the JSE Listing Requirements),

this Deed may be amended from time to time by written agreement between the Board and the Trustees. For the avoidance of doubt, to the extent that any such amendment relates specifically to matters listed in paragraph 14.1 of Schedule 14 of the JSE Listings Requirements, such amendment shall require the approval of an ordinary resolution to this effect, which resolution shall be approved by not less than a 75% (seventy-five percent) majority of the votes cast in respect of such resolution by all Shareholders present in person or by proxy at the general meeting to approve such resolution and duly authorised to vote in terms of paragraph 14.2 of Schedule 14 of the JSE Listings Requirements.

- 33.2 Subject to clause 33.1, if the implementation of any provision of this Deed is rendered impossible or impracticable by reason of any change in law at any time after the signing of this Deed, the Board shall have the power, with the approval of the Trustees, to amend this Deed in such manner as will result in it being capable of practical implementation in terms of the law then in force so as to result in the Trust, the Group and the Participants enjoying such rights as confer, in the opinion of the Auditors (acting as experts and not as arbitrators and whose determination shall be final and binding) for the time being of the Company, substantially the same degree of benefit on them as would have been enjoyed by them but for such amendments and change in law.

36. TERMINATION OF THE TRUST

36.1 The Trustees shall be entitled in their discretion to terminate the Trust –

- 36.1.1 should all Options awarded by it to Employees have been exercised and the Trust has received payment in full of any amounts owed to it by the Participants; or
- 36.1.2 the Board resolves that the Trust shall be terminated; or
- 36.1.3 should the Company, the Trustees and the Participants (if any) who have vested rights in terms of this Deed, agree in writing to terminate the Trust.

- 36.2 Upon termination of the Trust, the Trustees shall be entitled in their discretion to release the assets of the Trust and wind-up the affairs of the Trust and pay over to the Company any surplus funds (after having discharged all liabilities) remaining in the Trust. The provision of this clause shall apply *mutatis mutandis* to any Shares held by the Trust upon the termination thereof.

- 36.3 Upon termination of the Trust, the Trustees shall be entitled in their discretion to transfer any income, assets or capital (on terms and conditions to be determined by the Board and the Trustees) of the Trust to the Company.

- 36.4 Should the amount paid by the Trustees to the Company in terms of this clause fall short of any indebtedness of the Trust to the Company and/or its Subsidiaries, the Trustees shall be relieved of all liability for such shortfall, which loss shall be constituted as a loss to be borne by the Company and/or its Subsidiaries.

- 36.5 The Trustees shall consult with the Board prior to implementing any aspects of this clause 36 and shall as far as reasonably possible take into consideration any determination of the Board.

PRIVATE PLACEMENT DETAILS

In addition to the information contained on the front cover and in the body of the Pre-listing Statement, the following will apply in respect of the Private Placement.

Please note: Only persons who fall within the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.

1. CONDITIONS PRECEDENT

The Listing is conditional on (i) the Company meeting the spread requirements of the JSE and (ii) the Directors of PFF, in their sole discretion, determining that the Company has achieved an appropriate level of black shareholding. In addition, should any of these Conditions Precedent fail, the Private Placement and any acceptance thereof shall not be of any force or effect and no person shall have any claim of whatsoever nature against the Company or any other person as a result of the failure of the conditions.

2. TERMS OF THE PRIVATE PLACEMENT

- 2.1 The Private Placement does not constitute an invitation to the public to subscribe for shares in the Company and is only directed at Invited Investors.
- 2.2 The Private Placement Shares will only be issued in Dematerialised form. No certificated Private Placement Shares will be issued.
- 2.3 No fractions of Private Placement Shares will be offered in terms of the Private Placement.
- 2.4 The Private Placement will not be underwritten.
- 2.5 The Board reserves the right to accept or refuse any application for Private Placement Shares, either in whole or in part, or to reduce any or all application(s) (whether or not received timeously) in such manner as it may in its sole and absolute discretion determine. The Board will consider, *inter alia*, the desired level of black shareholding (with preference being given to those Invited Investors who are Black People), the spread requirements of the JSE, the liquidity of the Shares and the potential shareholder base that the Board wishes to achieve when making such decision.
- 2.6 The Board may accept or reject, in whole or in part, any application should the terms contained in the Pre-listing Statement, of which the Application Form forms part, and the instructions therein not be properly complied with.
- 2.7 The Board reserves the right to reduce or increase the amount sought to be placed and/or raised in terms of the Private Placement in the Board's sole and absolute discretion.
- 2.8 Neither the Company, nor PSG Capital, nor any of their Directors or employees accept any responsibility, nor will they be held liable, for any damages or loss suffered by any applicant as a result of any inability by such parties to allocate Private Placement Shares, as a result of an illegible Application Form or as a result of rejecting any applications or reducing any allocations of Private Placement Shares applied for in the Application Form.

3. PROCEDURES FOR ACCEPTANCE

- 3.1 Invited Investors are to provide PSG Capital, the Bookrunner, with their completed Application Form by 17:00 on 21 February 2017. Invited Investors will be informed of their allocated Private Placement Shares, if any, by 24 February 2017. Invited Investors must make the necessary arrangements to enable their CSDP or Broker, as the case may be, to make payment for the allocated Private Placement Shares on settlement date. The allocated Private Placement Shares will be transferred, on a "delivery-versus-payment" basis, to successful applicants on the settlement date, which is expected to be 2 March 2017.
- 3.2 Only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.
- 3.3 The following persons may not participate in the Private Placement:
 - 3.3.1 any person who does not fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who does not subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 acting as principal (as contemplated in section 96(1)(b) of the Companies Act);
 - 3.3.2 any person who may not lawfully participate in the Private Placement; and/or
 - 3.3.3 any investor who has not been invited to participate.
- 3.4 No applications will be accepted after 17:00 on 21 February 2017.
- 3.5 Applications submitted by Invited Investors are irrevocable and may not be withdrawn once received by PSG Capital.

- 3.6 Application Forms must be completed in accordance with the provisions of this Pre-listing Statement and the instructions contained in the Application Form, which is attached to this Pre-listing Statement (*grey*).
- 3.7 Copies or reproductions of the Application Form will be accepted at the discretion of the Directors.
- 3.8 Any alterations to the Application Form must be authenticated by full signature.
- 3.9 Receipts will not be issued for applications, application monies or supporting documents received.
- 3.10 Each application will be regarded as a single application.
- 3.11 Other than as detailed in the Application Form, no documentary evidence of capacity to apply need accompany the Application Form, but the Company reserves the right to call upon any applicant to submit such evidence for noting and, which evidence will be held on file with the Company or the Transfer Secretaries or returned to the applicant at the applicant's risk.
- 3.12 The Directors reserve the right to accept or refuse any applications, either in whole or in part, or to abate any or all applications (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.

4. ISSUE AND ALLOCATION OF THE PRIVATE PLACEMENT SHARES

- 4.1 All Private Placement Shares subscribed for in terms of the Private Placement will be issued at the expense of the Company
- 4.2 It is intended that notice of the allocations will be given by 24 February 2017.
- 4.3 Successful applicants' accounts with their CSDP or Broker will be credited with the allocated Private Placement Shares on the settlement date, expected to be 2 March 2017, on a "delivery-versus-payment" basis.

5. PAYMENT AND DELIVERY OF THE PRIVATE PLACEMENT SHARES

- 5.1 No payment should be submitted with the Application Form delivered to the Bookrunner, PSG Capital. Applicants must make the necessary arrangements to enable their CSDP or Broker to make payment for the allocated Private Placement Shares on the settlement date, which is expected to be 2 March 2017, in accordance with each applicant's Custody Agreement with their CSDP or Broker.
- 5.2 The allocated Private Placement Shares will be transferred, on a "delivery-versus-payment" basis, to successful applicants on the settlement date, which is expected to be 2 March 2017.
- 5.3 The applicant's CSDP or Broker must commit to Strate to the receipt of the applicant's allocation of Private Placement Shares against payment on 2 March 2017.
- 5.4 On the settlement date, the applicant's allocation of Private Placement Shares will be credited to the applicant's CSDP or Broker against payment during the Strate settlement runs, prior to the opening of the market.
- 5.5 The CSDP or Broker concerned will receive and hold the Dematerialised Private Placement Shares on the applicants' behalf.

6. REPRESENTATION AND WARRANTY

- 6.1 Any Invited Investor applying for or accepting the Private Placement Shares in the Private Placement shall be deemed to have represented to the Company that such Invited Investor was in possession of a copy of this Pre-listing Statement at that time.
- 6.2 Any Invited Investor applying for or accepting the Private Placement Shares in the Private Placement shall be deemed to have warranted and undertaken to the Company that such Invited Investor is a person falling within the categories envisaged in section 96(1)(a) of the Companies Act or that such Invited Investor's placement consideration will be above the amount prescribed in terms of section 96(1)(b) of the Companies Act, and that such Invited Investor is therefore entitled to participate in the Private Placement.
- 6.3 Any party applying for or accepting Private Placement Shares on behalf of another Invited Investor shall be deemed to have represented to the Company that they are duly authorised to do so and warrant that they and the subscriber for whom they are acting as agent are duly authorised to do so in accordance with all relevant laws and such Invited Investor guarantees the payment of the Placement Price and that a copy of this Pre-listing Statement was in the possession of such Invited Investor for whom they are acting as agent.

7. APPLICABLE LAW

The Private Placement, applications, allocations and acceptances will be exclusively governed by the laws of South Africa and each Invited Investor will be deemed, by applying for Private Placement Shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Private Placement.

8. STRATE

- 8.1 Shares may be traded on the JSE only in electronic form (as Dematerialised Shares) and will be trading for electronic settlement in terms of Strate immediately following the Listing.
- 8.2 Strate is a system of "paperless" transfer of securities. If you have any doubt as to the mechanics of Strate please consult your Broker, CSDP or other appropriate advisor and you are referred to the Strate website (<http://www.strate.co.za>) for more detailed information.

8.3 Some of the principal features of Strate are:

- 8.3.1 electronic records of ownership replace certificates and physical delivery of certificates;
- 8.3.2 trades executed on the JSE must be settled within three business days;
- 8.3.3 all investors owning Dematerialised shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- 8.3.4 unless investors owning Dematerialised shares specifically request their CSDP to register them as an “own-name” holder (which entails a fee), their respective CSDP’s or Broker’s nominee company holding shares on their behalf, will be the holder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP’s or Broker’s nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP’s or Broker’s nominee company), as to how it wishes to exercise the rights attaching to the shares and/or to attend and vote at shareholder meetings.

9. **ALLOCATIONS**

- 9.1 The Board shall, in its sole discretion, determine an appropriate allocation mechanism in order to achieve the requisite level of black shareholding, with preference being given to those Invited Investors who are Black People. In this regard, the Board will also take into account the spread requirements of the JSE, the liquidity of the Shares and the potential shareholder base that the Board wishes to achieve.
- 9.2 Depending upon the level of demand, Invited Investors may receive no Private Placement Shares or fewer than the number of Private Placement Shares applied for. Any dealing in Shares prior to delivery of the Private Placement Shares is entirely at the Invited Investor’s own risk.



Premier Food & Fishing Limited

The First Choice

PREMIER FOOD AND FISHING LIMITED
(previously Sekunjalo Industrial Holdings Proprietary Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/018598/06)

Share code: PFF, ISIN: ZAE000238309

("PFF" or "the Company")

PRIVATE PLACEMENT APPLICATION FORM

The definitions and interpretations commencing on page 6 of the pre-listing statement to which this Application Form is attached ("Pre-listing Statement") apply mutatis mutandis to this Application Form.

This Application Form should be read in conjunction with the Pre-listing Statement.

TO BE COMPLETED BY INVITED INVESTORS ONLY

The Company is, in conjunction with the Listing, undertaking the Private Placement, involving an offer to Invited Investors to subscribe for Private Placement Shares in the Company at the Placement Price of R4.50 per Private Placement Share, such placement to be implemented by the Company issuing up to approximately 117 000 000 new Shares to Invited Investors, thereby raising approximately R526.5 million for the Company.

Successful applicants will be advised of their allocations of Private Placement Shares by 24 February 2017, with the allocated Private Placement Shares thereafter being transferred, on a "delivery-versus-payment" basis, to successful applicants on the settlement date, which is expected to be 2 March 2017.

Invited Investors are referred to the terms of the Private Placement, as detailed in the Pre-listing Statement and, in particular, in Annexure 16 thereto. In addition, please refer to the instructions overleaf before completing this Application Form.

Dematerialised Shares

The allocated Private Placement Shares will be transferred to successful applicants in Dematerialised form only. Accordingly, all successful applicants must appoint a CSDP directly, or a Broker, to receive and hold the Dematerialised Shares on their behalf. Should a Shareholder wish to obtain a physical share certificate for its Shares, it may do so following the Listing and should contact its CSDP or Broker in this regard.

As allocated Private Placement Shares will be transferred to successful applicants on a "delivery-versus-payment" basis, payment will be made by your CSDP or Broker on your behalf.

Invited Investors should complete this Application Form in respect of the Private Placement and hand deliver or email it to:

If delivered by hand or by courier:

Attention: Willie Honeyball

If emailed:

willieh@psgcapital.com

PSG Capital Proprietary Limited

1st Floor, Ou Kollege

35 Kerk Street

Stellenbosch, 7600

This Application Form must be stamped and signed by an applicant's CSDP or Broker. Failure to do so will result in this Application Form being rejected. This Application Form must be received by no later than 17:00 on 21 February 2017.

Invited Investors must contact their CSDP or Broker and advise them that they have submitted the Application Form as instructed above. Pursuant to the application, Invited Investors must make arrangements with their CSDP or Broker for payment to be made as stipulated in the agreement governing their relationship with their CSDP or Broker, in respect of the Private Placement Shares allocated to them in terms of the Private Placement by the settlement date, expected to be 2 March 2017.

Conditions Precedent

The Listing is conditional on (i) the Company meeting the spread requirements of the JSE and (ii) the Directors of PFF, in their sole discretion, determining that the Company has achieved an appropriate level of black shareholding. In addition, should any of these Conditions Precedent fail, the Private Placement and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against the Company or any other person as a result of the failure of the conditions.

Reservation of rights

The Board reserves the right to accept or refuse any application for Private Placement Shares, either in whole or in part, or to reduce any or all application(s) (whether or not received timeously) in such manner as it may in its sole and absolute discretion determine.

The Board shall, in its sole discretion, determine an appropriate allocation mechanism in order to achieve the requisite level of black shareholding, with preference being given to those Invited Investors who are Black People. In this regard, the Board will also take into account the spread requirements of the JSE, the liquidity of the Shares and the potential shareholder base that the Board wishes to achieve.

Furthermore, the Board may accept or reject, in whole or in part, any application should the terms contained in the Pre-listing Statement, of which this Application Form forms part, and the instructions herein not be properly complied with.

Only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.

To the Directors:

PREMIER FOOD AND FISHING LIMITED

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Pre-listing Statement, hereby irrevocably apply for and request you to accept my/our application for the undermentioned value to subscribe for Private Placement Shares at the Placement Price under the Private Placement set out in the Pre-listing Statement to which this Application Form is attached and in accordance with the terms and conditions set out therein and that may, in your absolute discretion, be allocated to me/us.
2. I/We wish to receive my/our allocated Private Placement Shares in Dematerialised form and will deliver this Application Form to PSG Capital, and will provide appropriate instructions to my/our CSDP or Broker, as the case may be, with regard to the application herein and the payment thereof, as stipulated in the agreement governing my/our relationship with my/our CSDP or Broker, as the case may be. I/We accept that payment in respect of this application will be, in terms of the Custody Agreement entered into between me/us and my/our CSDP or Broker, as the case may be, on a delivery-versus-payment basis.
3. I/We understand that the Listing and Private Placement are subject to the Conditions Precedent detailed in the Pre-listing Statement and in this Application Form and that, should any of the Conditions Precedent fail, the Private Placement and any acceptance thereof shall not be of any force or effect and that I/we will not have any claim whatsoever against the Company or any other person as a result of the failure of the conditions.

4. I/We hereby declare that the information furnished in the Application Form is true, complete and accurate to the best of my/our knowledge and belief and I/we undertake to inform PFF forthwith should any changes thereto occur prior to the Listing Date. I/we further understand that the Company will rely on the information provided by me/us in the Application Form.

Date 2017

Signature

Telephone number ()

Cell phone number

Assisted by (where applicable)

PLEASE COMPLETE ALL BLOCKS

Surname of individual or name of corporate body	Mr
	Mrs
	Miss
	Other title
Full names (if individual)	
If an individual, do you qualify as a Black Person as defined in the definitions and interpretations section of the Pre-listing Statement?	
If a legal entity, please specify what percentage of your shareholding is beneficially owned by Black People as defined in the definitions and interpretations section of the Pre-listing Statement?	
Is this application being made by a collective investment scheme as defined in the Collective Investments Scheme Control Act of 2002 of South Africa, alternatively by a South African pension fund as defined in the Pension Fund Act of 1956 of South Africa or would this investment otherwise qualify as a Mandated Investment, as defined in the definitions and interpretations section of the Pre-listing Statement? In this regard, please also have regard to Annex 100A to statement 100 of the B-BBEE Codes (2013) for further examples of Mandated Investments.	
Postal address (preferably PO Box address)	Postal code
Telephone number ()	
Cell phone number	
Email address	
Number of Private Placement Shares applied for	
Total value of Private Placement Shares applied for (calculated by multiplying the number of Private Placement Shares applied for with the Placement Price of R4.50 per Share)	R

Required information must be completed by CSDP or Broker* with their stamp and signature affixed hereto

CSDP name	
CSDP contact person	
CSDP contact telephone number	
SCA or bank CSD account number	
Scrip account number	
Settlement bank account number	
Stamp and signature of CSDP or Broker	

Note:

*If an applicant has more than one account, please attach a separate schedule with all relevant details.

This application will lead to the conclusion of a legal contract between the Company and the applicant. Application Forms will not be accepted unless the above information has been furnished.

Instructions

- Applications are irrevocable and may not be withdrawn once submitted.
- CSDP's and Brokers will be required to retain a copy of this Application Form for presentation to the Directors, if required.
- Applicants should consult their Broker or other professional advisor in case of doubt as to the correct completion of this Application Form.
- Applicants need to have appointed a CSDP or Broker and must advise their CSDP or Broker in terms of the Custody Agreement entered into between them and their CSDP or Broker. Payment will be made on a "delivery-versus-payment" basis.
- No payment should be submitted with this Application Form to the Company or PSG Capital.
- If payment is dishonoured, or not made for any reason, the Company may, in its sole discretion, regard the relevant application as invalid or take such other steps in regard thereto as it may deem fit.
- No receipts will be issued for Application Forms, application monies or any supporting documentation.
- All alterations on this Application Form must be authenticated by full signature of the applicant and his CSDP or Broker.
- As allocated Private Placement Shares are being transferred to successful applicants on a delivery-versus-payment basis, no payment will be required to be made if the Private Placement or the Listing is not successful.

PLEASE REFER TO THE DETAILED TERMS AND CONDITIONS OF THE PRIVATE PLACEMENT, AS SET OUT IN PARAGRAPH 7 OF THE PRE-LISTING STATEMENT AND IN ANNEXURE 16 THERETO

