THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this "front cover".

Action required by Brimstone Shareholders

- If you are in any doubt as to what action you should take arising from this Circular, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all your Brimstone Shares, please forward this Circular together with the attached form of proxy to the purchaser of such Brimstone Shares or to the broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.
- Brimstone Shareholders are referred to page 1 of this Circular, which sets out the action required by them.

Brimstone does not accept responsibility, and will not be held liable for any action of or omission by, any CSDP or broker including, without limitation, any failures on the part of the CSDP or the broker of any beneficial owner of Brimstone Shares to notify such beneficial owner of the contents of this Circular.

Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)
(Registration number 1995/010442/06)
Share code: BRT ISIN: ZAE000015277
Share code: BRN ISIN: ZAE000015285

CIRCULAR TO BRIMSTONE SHAREHOLDERS

regarding:

- **the capital raising in the amount of up to R1.5 billion proposed to be undertaken by Sea Harvest simultaneously with the Proposed Listing of Sea Harvest on the main board of the JSE;**

and incorporating:

- **a notice convening the General Meeting; and**
- **a form of proxy (for use by holders of Certificated Shares and Dematerialised Shares with own-name registration only).**

Investment Bank, Corporate Advisor and Sponsor to Brimstone

Nedbank CIB

Legal Advisor to Brimstone and Sea Harvest

Cliffe Dekker Hofmeyr

Sole Financial Advisor, Sole Global Co-ordinator, Sole Bookrunner and Sole Transaction Sponsor to Sea Harvest

Standard Bank

Independent Reporting Accountants to Brimstone and Sea Harvest

Deloitte.

Date of issue: Wednesday, 8 February 2017

CORPORATE INFORMATION AND ADVISORS

Secretary and Registered Office

T Moodley
1st Floor, Slade House
Boundary Terraces
1 Mariendahl Lane
Newlands
Cape Town, 7700
South Africa
(PO Box 44580, Claremont, 7735)

Investment Bank, Corporate Advisor and Sponsor to Brimstone

Nedbank Corporate and Investment Banking
A division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place
135 Rivonia Road
Sandton, 2196
South Africa
(PO Box 1144, Johannesburg, 2000)

Legal Advisor to Brimstone and Sea Harvest

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

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa
(PO Box 61051, Marshalltown, 2107)

Sole Financial Advisor, Sole Global Co-ordinator, Sole Bookrunner and Sole Transaction Sponsor to Sea Harvest

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank, 2196
South Africa
(PO Box 61771, Marshalltown, 2107)

Independent Reporting Accountants to Brimstone and Sea Harvest

Deloitte & Touche
(Practice number 904899E)
1st Floor, The Square
Cape Quarter
27 Somerset Road
Green Point, 8005
South Africa
(PO Box 578, Cape Town, 8000)

ACTION REQUIRED BY BRIMSTONE SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this "Action required by Brimstone Shareholders" section.

Please take careful note of the following provisions regarding the action required by Brimstone Shareholders:

1. If you are in any doubt as to what action you should take arising from this Circular, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all of your Brimstone Shares, please forward this Circular to the purchaser of such Brimstone Shares or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.
3. This Circular contains information relating to the Proposed Listing. You should carefully read through this Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting.

4. **GENERAL MEETING**

4.1 **Notice of General Meeting**

The notice convening the General Meeting to approve the Proposed Listing is attached to this Circular. The General Meeting will be held at the Registered Office of Brimstone, 1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700 on Thursday, 9 March 2017 at 11:00.

4.2 **If you hold Dematerialised Shares**

4.2.1 ***Own-name registration***

You are entitled to attend in person, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries by no later than 11:00 on Tuesday, 7 March 2017:

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services Proprietary Limited	Computershare Investor Services Proprietary Limited
Rosebank Towers	PO Box 61051
15 Biermann Avenue	Marshalltown, 2107
Rosebank, 2196	

Thereafter, forms of proxy may only be delivered physically to the Company at the location for the General Meeting and immediately prior thereto.

4.2.2 ***Other than own-name registration***

In accordance with the mandate between you and your CSDP or broker you must advise your CSDP or broker timeously if you wish to attend, or be represented at, the General Meeting. If your CSDP or broker has not contacted you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to it.

You must **not** complete the attached form of proxy.

4.3 **If you hold Certificated Shares**

You are entitled to attend, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, by no later than 11:00 on Tuesday, 7 March 2017:

Hand deliveries to:
Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:
Computershare Investor Services
Proprietary Limited
PO Box 61051
Marshalltown, 2107

Thereafter, forms of proxy may only be delivered physically to the Company at the location for the General Meeting and immediately prior thereto.

TABLE OF CONTENTS

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this "Table of Contents".

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this "Salient dates and times" section:

	2017
Record date to determine which Brimstone Shareholders are eligible to receive this Circular	Friday, 3 February
Circular posted to Brimstone Shareholders on	Wednesday, 8 February
Announcement regarding the Proposed Listing and posting of this Circular, together with the notice of General Meeting to Brimstone Shareholders released on SENS	Wednesday, 8 February
Announcement regarding the Proposed Listing and posting of this Circular, together with the notice of General Meeting to Brimstone Shareholders published in the press	Thursday, 9 February
Last day to trade to be entitled to vote at, and participate in the General Meeting	Tuesday, 28 February
Record date to be entitled to vote at, and participate in the General Meeting	Friday, 3 March
Forms of proxy to be received by 11:00 on	Tuesday, 7 March
General Meeting to be held at 11:00 on	Thursday, 9 March
Results of General Meeting to be released on SENS on	Friday, 10 March

Notes:

1. These dates and times are subject to amendment. Any such amendment will be released on SENS.
2. This Circular is available in English only. Copies may be obtained from the Registered Office of Brimstone or from Nedbank CIB at the address as set out in the "Corporate information and advisors" section of this Circular, or on the Company's website, www.brimstone.co.za, from Wednesday, 8 February 2017 until the date of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them, respectively, in the second column below, reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other gender, and an expression denoting natural persons shall include juristic persons and associations of persons:

"ASX"	the Australian Stock Exchange;
"BBBEE"	broad-based black economic empowerment as defined in the Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended;
"Board" or "Directors"	the directors of Brimstone whose names are reflected on page 8 of this Circular;
"Brimco"	Brimco Proprietary Limited (Registration number 1998/001775/07), a private company registered and incorporated in South Africa, and a wholly-owned subsidiary of Brimstone. Brimstone hold its Sea Harvest Ordinary Shares, Sea Harvest Preference Shares and the Sea Harvest Shareholder Loans through Brimco;
"Brimstone" or the "Company"	Brimstone Investment Corporation Limited (Registration number 1995/010442/06), a public company registered and incorporated in South Africa, and whose Shares are listed on the JSE;
"Brimstone Group" or "the Group"	Brimstone and its subsidiaries, from time to time;
"Business Day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"Certificated Shareholder(s)"	Brimstone Shareholder(s) who hold Certificated Share(s);
"Certificated Share(s)"	Brimstone Share(s) represented by a Share certificate(s) or other physical document(s) of title, which has/have not been surrendered for dematerialisation in terms of the requirements of Strate;
"Circular"	this circular dated Wednesday, 8 February 2017 including the notice of General Meeting and the form of proxy;
"Cliffe Dekker Hofmeyr" or "Legal Advisor"	Cliffe Dekker Hofmeyr Inc (Registration number 2008/018923/21), a company registered and incorporated in South Africa and the legal advisor to Brimstone and Sea Harvest;
"Companies Act"	the Companies Act, 2008 (No. 71 of 2008), as amended;
"CSDP"	a Central Securities Depository Participant appointed by individual Shareholder(s) for the purpose of and in regard to dematerialisation of his (their) Brimstone Share(s);
"Deloitte & Touche" or "Independent Reporting Accountants"	Deloitte & Touche (Practice number 904899), a professional partnership established in terms of South African law and the independent reporting accountants to Brimstone and Sea Harvest;
"Dematerialised Shareholder(s)"	Brimstone Shareholder(s) that have dematerialised their Brimstone Share(s) through a CSDP and have instructed the CSDP to hold their Brimstone Share(s) on the sub-register maintained by the CSDP and forming part of the Brimstone Share register;
"Dematerialised Share(s)"	Brimstone Share(s) that have been dematerialised through a CSDP or broker and are held on the sub-register of Shareholders administered by CSDPs in electronic form;
"Document(s) of Title"	share certificate(s), transfer deed(s) or form(s), balance receipt(s) or any other document(s) of title acceptable to Brimstone in respect of Certificated Shareholder(s);

"EPS"	earnings per Share;
"Financial Effects"	the *pro forma* financial effects of the Proposed Listing on Brimstone's results;
"Financial Markets Act"	the Financial Markets Act, 2012 (No. 19 of 2012), as amended;
"General Meeting"	the general meeting of Shareholders to be held at the Registered Office of Brimstone, 1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700 on Thursday, 9 March 2017 at 11:00 to consider and, if deemed appropriate, approve the resolutions to give effect to the Proposed Listing;
"HEPS"	headline EPS;
"IFRS"	International Financial Reporting Standards;
"INAV"	intrinsic net asset value;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed under the Financial Markets Act to operate as an exchange;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being Friday, 27 January 2017;
"Listings Requirements"	the JSE Listings Requirements, as amended from time to time;
"Mareterram"	Mareterram Limited (Registration number CAN 009 248 720), a public company registered and incorporated in Australia and listed on the ASX and in which Sea Harvest holds a 55.9% controlling interest;
"MoI"	the memorandum of incorporation of Brimstone;
"MSC"	Marine Stewardship Council, an international non-profit organisation established to address the problem of unsustainable fishing and safeguard seafood supplies for the future;
"N Share(s)" or "Brimstone N Share(s)"	"N" ordinary share(s) of 0.001 cent each in the capital of the Company;
"NAV"	net asset value per Share;
"Nedbank CIB" or "Investment Bank, Corporate Advisor and Sponsor"	Nedbank Corporate and Investment Banking, a division of Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in South Africa and the investment bank, corporate advisor and sponsor to Brimstone;
"Ordinary Share(s)" or "Brimstone Ordinary Share(s)"	ordinary share(s) of 0.1 cent each in the capital of the Company;
"Private Placement"	a capital raising in the amount of up to R1.5 billion proposed to be undertaken by Sea Harvest simultaneously with the Proposed Listing;
"Proposed Listing"	the proposed listing of Sea Harvest, a subsidiary of Brimstone, on the main board of the JSE on the Proposed Listing Date, and the simultaneous Private Placement, which is regarded as a Category 1 transaction in terms of the Listings Requirements, thus requiring Brimstone Shareholder approval;
"Proposed Listing Date"	by the end of March 2017;
"Rand" or "R"	South African Rand;
"Registered Office"	the registered office of Brimstone, currently situated at 1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700;
"SADSTIA"	South African Deep Sea Trawl Industry Association, an association of South African trawler owners and operators that catch, process and market Cape hake;

"SBSA" or "Sole Financial Advisor, Sole Global Co-ordinator, Sole Bookrunner and Sole Transaction Sponsor to Sea Harvest"	The Standard Bank of South Africa Limited (Registration number 1962/000738/06), acting through its Corporate and Investment Banking division, a public company incorporated and registered in South Africa and the Sole Financial Advisor, Sole Global Co-ordinator, Sole Bookrunner and Sole Transaction Sponsor to Sea Harvest;
"Sea Harvest"	Sea Harvest Holdings Proprietary Limited (Registration number 2008/001006/07), a private company registered and incorporated in South Africa and a subsidiary of Brimstone. Sea Harvest is in the process of changing its name to Sea Harvest Group Limited;
"Sea Harvest Ordinary Shares"	974 402 351 ordinary shares of no par value in the share capital of Sea Harvest;
"Sea Harvest Preference Shares"	class B and class C cumulative preference shares in the share capital of Sea Harvest held by Brimstone through Brimco, with a capital value of R368 million;
"Sea Harvest Shareholder Loans"	Shareholders' loans granted by Brimstone, through Brimco to Sea Harvest in the amount of R54.7 million;
"SENS"	the Stock Exchange News Service of the JSE;
"Share(s)" or "Brimstone Share(s)"	Ordinary Share(s) and/or N Share(s), as the case may be;
"Share Consolidation"	the proposed consolidation of Sea Harvest Ordinary Shares in the ratio of 1:6;
"Shareholder(s)" or "Brimstone Shareholder(s)"	holder(s) of Brimstone Share(s);
"South Africa"	the Republic of South Africa;
"Strate"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company registered and incorporated in South Africa, and the electronic settlement system for transactions that take place on the JSE and off-market transactions;
"TNAV"	tangible net asset value per Share;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated and registered in South Africa and the transfer secretaries of Brimstone;
"Treasury Shares"	Brimstone Shares held by a subsidiary of Brimstone or through a trust or a scheme, which, as at the Last Practicable Date amounted to 4 273 074 Brimstone Ordinary Shares and 36 952 419 Brimstone N Shares respectively for accounting purposes;
"Vuna"	Vuna Fishing Company Proprietary Limited (Registration number 1995/003403/07); a private company incorporated and registered in South Africa. Until 31 December 2016, Sea Harvest had a 49.813% interest in Vuna. With effect from 1 January 2017, the commercial relationship with Vuna was restructured and Sea Harvest's shareholding in Vuna was disposed of to a company in which Brimstone and the Sea Harvest staff and management trusts hold all the shares and which company will not be part of Sea Harvest for purposes of the Proposed Listing. From 1 January 2017, Vuna has entered into an exclusive supply and distribution agreement with Sea Harvest whereby all fish processed by Vuna will be sold to Sea Harvest on a cost plus basis; and
"VWAP"	volume weighted average price.

Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)
(Registration number 1995/010442/06)
Share code: BRT ISIN: ZAE000015277
Share code: BRN ISIN: ZAE000015285

Directors

F Robertson *(Executive Chairman)*
MA Brey (*Chief Executive Officer*)
GG Fortuin *(Financial Director)*
FD Roman*#
MI Khan *(Chief Operating Officer)*
MJT Hewu*#
KR Moloko*#
LA Parker*#
PL Campher *(Lead Independent Director)**#
MK Ndebele*#
N Khan*#

** Independent*
 # Non-executive

CIRCULAR TO BRIMSTONE SHAREHOLDERS

1. **INTRODUCTION AND PURPOSE OF THIS CIRCULAR**

Brimstone Shareholders are referred to the announcements by Brimstone and Sea Harvest relating to the Proposed Listing released on SENS on 8 February 2017.

The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Listing, the implications thereof for Brimstone and its Shareholders, and to enable Shareholders to make an informed decision as to whether or not they should vote in favour of the resolutions set out in the notice of General Meeting which forms part of this Circular.

2. **BACKGROUND TO THE PROPOSED LISTING OF SEA HARVEST**

Brimstone has been invested in Sea Harvest since 1998, when it acquired an initial shareholding. In 1999 it increased its shareholding to 10.76%. In 2004, Brimstone increased its interest to 21.52% and, when Tiger Brands Limited announced its intention to exit Sea Harvest in 2009, Brimstone led a consortium in the largest BBBEE transaction in the fishing industry and acquired control of Sea Harvest, creating one of South Africa's first black industrial companies. Today, Brimstone holds 85% of Sea Harvest, with management and staff holding the remaining 15%.

Since taking control in 2009, Brimstone has invested significantly in the growth of Sea Harvest. This growth has taken the form of:

- organic growth and efficiency gains whereby Sea Harvest invested significantly in upgrading its operations. New vessels were acquired and converted into factory freezer vessels (the fish is frozen at sea), the factory was upgraded and new sales markets were developed; and
- acquisitive growth whereby Sea Harvest acquired control of Mareterram, thereby diversifying Sea Harvest from both a product and geographical perspective. Whilst currently operating in the fishing sector, Mareterram's stated ambition is to grow in the agri-business sector in Australia and New Zealand and Sea Harvest management believe Mareterram is an ideal platform to allow for growth in these markets.

Brimstone has invested a further c.R776 million in Sea Harvest since taking control in 2009, through a combination of additional capital and reinvested profits.

Brimstone has tasked management at Sea Harvest to continue on this growth strategy and in order to do this, Sea Harvest requires capital. In order to facilitate this, Brimstone, together with the other shareholders in Sea Harvest, has resolved to proceed with a separate listing of Sea Harvest on the main board of the JSE. The Private Placement of up to R1.5 billion will be undertaken by Sea Harvest simultaneously with the Proposed Listing.

Sea Harvest is one of the first black industrial companies to be listed on the JSE, a strong confirmation that transformation works in South Africa.

Importantly, Brimstone remains committed and supportive of Sea Harvest and does not intend disposing of any Sea Harvest Ordinary Shares held by it in the Proposed Listing. Brimstone intends retaining control of Sea Harvest post the Proposed Listing.

As a result of the Proposed Listing, and the simultaneous Private Placement of up to R1.5 billion, Brimstone's 85% interest in Sea Harvest will be diluted to approximately 52%.

3. **RATIONALE FOR THE PROPOSED LISTING**

The rationale for the Proposed Listing is set out below.

3.1 The Proposed Listing will strengthen Sea Harvest's balance sheet by enabling it to repay third-party debt and providing Sea Harvest with the additional capital to support growth both organically and acquisitively. It is envisaged that with part of the proceeds of the Private Placement, Sea Harvest will be:

- repaying all its third-party debt of c.R303 million; and
- raising cash of c.R480 million which will supplement a revolving credit facility of up to R450 million, allowing Sea Harvest to contribute c.R930 million of capital to growth opportunities.

Sea Harvest has identified a number of growth opportunities, which include:

3.1.1 Organic growth – improving efficiencies and enhancing margins through further investment in vessels, plant, operations and markets;

3.1.2 Acquisitive growth, including:

- diversifying into other products/species within the South African fishing sector. Sea Harvest's excellent BBBEE credentials will allow it to play a consolidating role in the sector where BBBEE is an important part of the operating environment;
- diversifying into other local food sectors, where Sea Harvest's expertise in processing, branding and marketing can be utilised; and
- geographically in Australia via Mareterram. Mareterram has a stated ambition of growing in the agri-business sector.

3.2 Brimstone has invested substantial capital in supporting Sea Harvest's growth to date, and the Proposed Listing allows Brimstone the opportunity to release some of the capital it has contributed to Sea Harvest's growth by redeeming the Sea Harvest Preference Shares and the Sea Harvest Shareholder Loans, in total c.R575 million.

3.3 The Proposed Listing will provide Sea Harvest with ongoing access to capital markets in order to support its growth strategy.

3.4 The Proposed Listing will also allow Sea Harvest to attract and retain management and staff through the use of tradeable instruments. This will align the interests of management and staff with those of Sea Harvest's shareholders.

4. **OVERVIEW OF BRIMSTONE AND ITS PROSPECTS**

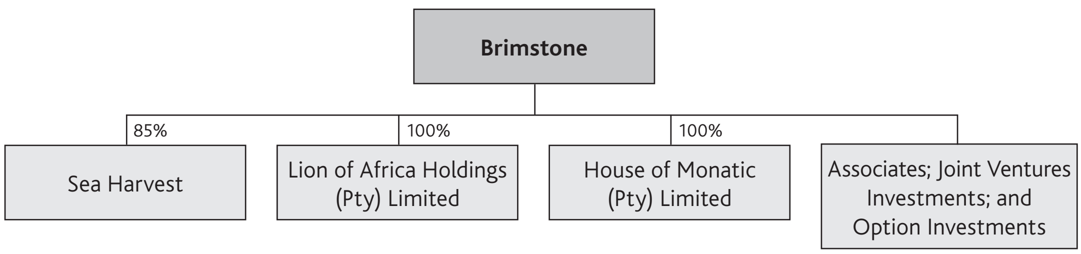
4.1 **Incorporation and history**

Brimstone was incorporated in South Africa in 1995 and listed on the JSE in the Investment Companies sector in 1998.

4.2 **Nature of the business**

4.2.1 Brimstone is a black owned and controlled investment holding company currently holding investments, in, *inter alia*, the industrial, healthcare and financial services sectors.

4.2.2 Brimstone's current group structure is as follows:



4.2.3 As at 30 June 2016, associates, joint ventures, investments and an option investment include the following:

- a 4.7% interest in Life Healthcare Group Holdings Limited;
- a 17% interest in Oceana Group Limited;
- a 18% interest in Aon Re Africa Proprietary Limited;
- a 0.9% interest in Tiger Brands Limited;
- a 6.7% interest in Grindrod Limited;
- a 7.0% interest in Phuthuma Nathi Investments Limited;
- a 2.7% interest in MTN Zakhele (RF) Limited;
- a 10% interest in Equites Property Fund Limited; and
- a 25.1% interest in Obsidian Health Proprietary Limited.

4.2.4 The overriding theme running through all facets of the Company's business is active partnership with well-established players in the particular industry that Brimstone chooses to do business in.

4.2.5 Brimstone's investment philosophy hinges on its pragmatic approach in seeking above average returns for Shareholders by utilising, *inter alia*, its empowerment credentials, contributing capital and being actively involved in the management of the companies in which it chooses to invest.

4.3 **Prospects**

The Company has a 21 year track record of creating and unlocking Shareholder value in a sustainable way and has a team with the skills and experience to conclude value adding deals. The Company is defined by *bona fide* empowerment credentials, and its ability to enhance NAV and pay dividends. Brimstone has over the years demonstrated its resilience to withstand tough economic conditions and remains well placed to pursue value enhancing transactions based on cash generative quality assets. The Company maintains a long-term view and partnership approach to its underlying investments.

5. **PROPOSED LISTING**

5.1 **Impact of the Proposed Listing on Brimstone**

5.1.1 Brimstone currently holds 828 242 000 Sea Harvest Ordinary Shares, which represents an interest of 85% in the ordinary share capital of Sea Harvest. In addition, Brimstone has provided funding to Sea Harvest amounting to approximately R575 million, in the form of the Sea Harvest Preference Shares, and the Sea Harvest Shareholder Loans.

5.1.2 It is Brimstone's intention to retain all its Sea Harvest Ordinary Shares. In anticipation of the Private Placement, all the Sea Harvest Preference Shares are to be redeemed, resulting in Brimstone receiving a payment of approximately R520 million, as well as R55 million as a result of the repayment of the Sea Harvest Shareholder Loans.

5.1.3 Following the Private Placement and Share Consolidation, Brimstone will hold 138 040 333 Sea Harvest Ordinary Shares, representing an interest of approximately 52% in Sea Harvest.

5.1.4 Brimstone intends to continue to control Sea Harvest and, at a minimum, retain a 50.1% shareholding in Sea Harvest post the Proposed Listing.

5.1.5 Brimstone intends to reduce its debt funding with the proceeds received from the redemption of the Sea Harvest Preference Shares and the repayment of the Sea Harvest Shareholder Loans.

5.1.6 The Proposed Listing and the simultaneous Private Placement is regarded as a Category 1 transaction in terms of the Listings Requirements, requiring Brimstone Shareholder approval.

5.2 **Description of Sea Harvest**

5.2.1 ***Introduction to Sea Harvest***

Sea Harvest is a leading, internationally recognised vertically integrated fishing and food business with operations in South Africa and Australia, servicing retail and foodservice customers in 22 countries. Established in 1964 on the Atlantic West Coast of South Africa, Sea Harvest has become a household brand and market leader in the fish category. In the 2016 Icon Brands Survey, Sea Harvest was rated as the 7th most iconic brand in South Africa and the highest scoring seafood brand.

Sea Harvest's principal South African business is fishing for Cape hake, processing of the catch into frozen and chilled seafood, and the packaging, distribution and marketing of these products, locally and internationally.

Sea Harvest expanded its operations internationally in 2015 and, through 100% owned subsidiary Sea Harvest International Proprietary Limited, it owns a controlling stake in Mareterram, an Australian listed agri-business that fishes, processes and packs king and tiger prawns and other by-catch for the Australian domestic and international markets, and operates a nationwide foodservice sales and distribution business.

Both Sea Harvest and Mareterram have achieved the "gold" standard in sustainable fishing, the MSC certification in their respective fisheries. This is a key component for the sustainability of not only products, but indeed the companies.

5.2.2 ***Sea Harvest is a vertically integrated fishing company***

Sea Harvest's business platform spans the value chain from trawling to sales ("sea to shelf") and integrates key value-added support services, such as quality control, logistics and supply chain management.

Sea Harvest owns and has access to 18 deep-sea vessels, which predominantly catch and process Cape hake, as well as monkfish, kingklip, sole and other by-catch species. In Australia, the group has a further 11 prawn vessels through its subsidiary Mareterram which catch and process prawns, scallops, crabs and related by-catch species.

Sea Harvest processes and packs over 200 products for the local and international markets either on its four factory vessels or its two processing facilities in Saldanha Bay, and its facility in Carnavon, Western Australia. Its own catch and products are supplemented by products from Vuna, with which Sea Harvest has an exclusive supply relationship. Sea Harvest's core competencies include flexibility to process fish and prawns according to customer needs and meet service delivery requirements.

5.2.3 ***Markets***

In 2016, 41% of the Cape hake quota harvested was sold internationally, with 78% of those sales in the Eurozone and 15% in Australia. Sea Harvest has established relationships and partnerships with customers internationally with some of these relationships having been in existence for over forty years. Sea Harvest's products are sold in 22 countries into, among others, leading international retailers such as Coles (Australia), Lidl (Europe) and Mercadona (Spain).

According to Nielsen, Sea Harvest is the leading brand in the South African retail frozen fish category. Sea Harvest packs frozen Cape hake and kingklip exclusively for Woolworths, a partnership dating back to 1984. The company distributes and merchandises its products to over 2 000 retail stores in South Africa and is also one of the largest suppliers in the domestic foodservice industry where it supplies its Cape hake, by-catch and a range of traded products to quick-service restaurants, fish & chip shops, hotels, institutional caterers and independent seafood shops. Sea Harvest also owns and operates seven of its own retail factory shops, five in the Western Cape and two in Gauteng. These shops are an extension of the Sea Harvest brand and an important touch-point for consumers with the brand.

5.2.4 ***Sea Harvest and the South African fishing industry***

The South African Cape hake fishery is managed by the South African government through a quota-based system. The Department of Agriculture, Forestry and Fisheries manages the industry regulations as well as undertaking scientific research to ensure the sustainable utilisation of marine and coastal resources. The hake resource is scientifically assessed annually and the TAC (Total Allowed Catch) of the species is adjusted accordingly.

Sea Harvest, as one of the pioneering companies in the South African fishing industry, has been awarded 15 year fishing rights (in respect of hake) and is one of the largest rights holders in the industry. Sea Harvest was also a founding member of SADSTIA. SADSTIA interacts with government, non-governmental organisations and other interested parties for the benefit of the South African deep-sea trawl industry.

5.3 Conditions to the Proposed Listing

The Proposed Listing is subject to the following conditions:

5.3.1 approval by the requisite majority of Brimstone Shareholders of the ordinary resolutions contained in the notice of General Meeting forming part of this Circular;

5.3.2 the requisite approval by the JSE for the Proposed Listing having been obtained; and

5.3.3 obtaining any other regulatory consents to the extent required.

5.4 Details of the Private Placement

The Private Placement will provide the Sea Harvest group with additional capital to support management's strategy of continuing to invest in the current business, to improve margins and grow organically, as well as to support Sea Harvest's strategy of becoming a diversified global fishing company through value-creating acquisitions.

The Private Placement is expected to comprise an offer for subscription by Sea Harvest of new ordinary shares. Net proceeds received from the Private Placement shall be used for i) the repayment of existing indebtedness; ii) fund organic growth mainly through investment by Sea Harvest in land-based and vessel efficiency gains; and iii) provide the capital required to pursue Sea Harvest's acquisitive growth strategy.

Full details of the Private Placement will be disclosed in a pre-listing statement to be issued by Sea Harvest in due course. In addition, the details of the Private Placement will also be released on SENS under Brimstone's share code and a copy of the Sea Harvest pre-listing statement will be available on Brimstone's website at the appropriate time.

6. FINANCIAL INFORMATION

6.1 Historical financial information on Sea Harvest

The historical financial information of Sea Harvest for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013, and for the six months ended 30 June 2016 and 30 June 2015 is set out in Annexure 1 and Annexure 2 to this Circular respectively.

The Independent Reporting Accountants' Report on the historical financial information of Sea Harvest is set out in Annexure 3 to this Circular.

6.2 Financial Effects of the Proposed Listing on Brimstone

The Financial Effects of the Proposed Listing on Brimstone are presented below and should be read in conjunction with the *pro forma* income statement and *pro forma* balance sheet presented in Annexure 4 to this Circular. The Financial Effects are presented in accordance with the Listings Requirements, the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants, ISAE 3420 and the measurement and recognition requirements of IFRS.

The Financial Effects have been prepared for illustrative purposes only to provide information on how the Proposed Listing might have impacted the financial results and position of Brimstone and, because of their nature, may not give a fair presentation of Brimstone's financial position, changes in equity or results of operations or cash flows after the Proposed Listing.

The Financial Effects have been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the Group's accounting policies as at 30 June 2016.

The Financial Effects are the responsibility of the Directors.

Full details of the Financial Effects of the Proposed Listing on Brimstone's unaudited income statement and balance sheet for the six months ended 30 June 2016 are set out in Annexure 4 to this Circular.

The Financial Effects must be read in conjunction with the Independent Reporting Accountants' assurance report thereon as contained in Annexure 5 to this Circular.

	Before the Proposed Listing(1)	The Proposed Listing	After the Proposed Listing(2)(3)	Percentage change (%)
EPS (cents)	12.2	9.8	22.0	80.3
HEPS (cents)	11.5	9.8	21.3	85.2
Diluted EPS (cents)	10.4	8.4	18.8	80.8
Diluted HEPS (cents)	9.8	8.4	18.2	85.7
NAV (cents)	986.0	271.0	1 257.0	27.5
TNAV (cents)	945.2	271.0	1 216.2	28.7
Weighted average number of shares in issue on which EPS and HEPS per share is based ('000)	242 527	–	242 527	–
Weighted average number of shares in issue on which diluted EPS and diluted HEPS is based ('000)	283 875	–	283 875	–
Number of shares on which NAV and TNAV is based ('000)	238 651	–	238 651	–

Notes:

1. The "Before the Proposed Listing" information has been extracted without adjustment from Brimstone's unaudited interim results for the six months ended 30 June 2016.
2. The basic and diluted EPS and HEPS "After the Proposed Listing" are based on the assumption that the Proposed Listing was effected on 1 January 2016 for income statement purposes.
3. The NAV and TNAV "After the Proposed Listing" are based on the assumption that the Proposed Listing was effected on 30 June 2016 for balance sheet purposes.
4. The "After the Proposed Listing" column reflects the effect on the results and financial position of Brimstone following the Proposed Listing, the capital raised of R1.5 billion and the deployment of capital raised.
5. One-off expenses relating to the Proposed Listing amount to R43.106 million for the Brimstone Group, of which R1.936 million has been expensed and R41.17 million charged to equity.
6. Finance cost savings to the Brimstone Group amounts to R41.316 million following the repayment of interest-bearing debt and preference share funding amounting to R877.828 million, which is of a continuing nature.
7. Net cash accruing to the Brimstone Group after the Proposed Listing, repayment of interest-bearing debt and preference share funding and payment of expenses amounts to R401.002 million.
8. Taxation has been calculated where applicable.
9. Changes in ownership increased by R686.4 million due to a net gain on the change in Brimstone's shareholding in Sea Harvest from 85% to 52%.
10. Capital reserves decreased by R23.117 million as a result of Sea Harvest expenses of R41.17 million (less non-controlling interests' share of expenses of R19.762 million) being charged to capital reserves. R1.709 million was also charged to capital reserves as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52%.
11. Revaluation reserves decreased by R5.712 million as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52%.
12. Cash flow hedging reserve decreased by R8.428 million as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52%.
13. Retained earnings decreased by R19.364 million as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52% and one-off transaction costs of R1.936 million incurred by Brimstone.
14. Non-controlling interests increased by R630.259 million being the non-controlling interests' share of the capital raised (R633.6 million) and an increase of R16.421 million in the non-controlling interests' share of Sea Harvest's reserves (held prior to the capital raised) as a result of Brimstone's shareholding decreasing from 85% to 52% and reduced by the non-controlling shareholders' share of transaction costs amounting to R19.762 million.
15. Long-term borrowings reduced by R875.892 million as a result of Sea Harvest utilising R302.610 million of the capital raised to repay long-term interest-bearing debt and Brimstone utilising R572.868 million of the proceeds of the repayment of the Sea Harvest Preference Shares received from Sea Harvest to repay long-term interest-bearing-debt.
16. Cash and cash equivalents increased by R401.002 million which is the net cash retained by the Group after repayment of debt and expenses.
17. Non-controlling interests increased by R11.031 million as a result of Brimstone's shareholding in Sea Harvest reducing from 85% to 52% (R5.502 million) and non-controlling shareholders' share of Sea Harvest's saving in finance costs after tax amounting to R5.529 million, which saving is of a continuing nature.
18. There are no other post-balance sheet events which require adjustment to the *pro forma* Financial Effects.

Assumptions:

1. The Proposed Listing takes place.
2. A capital raising in the amount of up to R1.5 billion is undertaken by Sea Harvest simultaneously with the Proposed Listing.

7. **SHARE CAPITAL OF BRIMSTONE**

7.1 The Share capital before and after the Proposed Listing is as follows:

	R'000
Authorised Share capital	
Ordinary Shares	
500 000 000 Shares of 0.1 cent each	500
N Shares	
1 000 000 000 Shares of 0.001 cent each	10
Issued Share capital	
Ordinary Shares	
42 757 604 Shares of 0.1 cent each	43
N Shares	
238 423 687 Shares of 0.001 cent each	2

4 273 074 Brimstone Ordinary Shares and 36 952 419 Brimstone N Shares are held as Treasury Shares respectively as at the Last Practicable Date.

There will be no change to the Ordinary and N Share capital as a result of the Proposed Listing.

8. **DIRECTORS AND MANAGEMENT**

8.1 The names, qualifications, ages, business addresses, and functions of the Directors and management of Brimstone are set out below:

Name, age and qualification	Business address	Function
Directors of Brimstone		
Frederick Robertson DPhil (h.c.) (62)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Executive chairman
Mustaq Ahmed Brey BCompt (Hons), CA(SA) (62)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Chief executive officer
Geoffrey George Fortuin BCom (Acc), BCom (Acc)(Hons), CA(SA) (50)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Financial Director
Mohamed Iqbal Khan BCompt (Hons), CA(SA) (50)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Chief operating officer
Philip Leon Campher BEcon (68)	Bridge House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Lead independent Director

Name, age and qualification	Business address	Function
Mzwandile John Terrold Hewu BCom (Hons), BPhil (53)	14 Queen Victoria Street 7th Floor, Union House Cape Town, 8001	Independent non-executive Director
Keneilwe Rachel Moloko NDip (Building Survey), BSc(QS), BCom, PGDA, CA(SA) (48)	8 Melkhout Crescent Plattekloof 3 Cape Town, 7500	Independent non-executive Director
Liyaqat Allie Parker (63)	FPG House 1 Fairways Close N1 City	Independent non-executive Director
Nazeem Khan BSc(QS), MAQS, AAArb (60)	2 Orphan Lane Cape Town, 8001	Independent non-executive Director
Mpho Kathleen Ndebele BA (Economics), MSW (Social Planning)(USA Denver) (67)	10 Manatoka Close Pinelands Cape Town, 7405	Independent non-executive Director
Felicia Dawn Roman BA, Post-graduate Secondary Teacher's Diploma (53)	19 Glenluce Drive Douglasdale Johannesburg, 2191	Independent non-executive Director
Management team of Brimstone		
Takula Jenkins Tapela BCompt (48)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Managing executive
Tiloshani Moodley BA (Law), LLB (42)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Company secretary
Michael O'Dea BCom, CA(SA) (63)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Chief financial officer
Nisaar Ahmed Pangarker BBusSc, MBA (45)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Managing executive
Gerhard Kotze BCom (Hons), CA(SA) (47)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town, 7700	Managing executive
Sebastian Patel BBusSc, FIA (35)	39 Ferguson Road Illovo Johannesburg, 2146	Managing executive

8.2 **Abridged *curricula vitae***

Directors of Brimstone

Frederick Robertson (Executive chairman)

Fred Robertson is a co-founder and serves as Executive Chairman of Brimstone. His non-executive chairmanships include Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited, Sea Harvest, House of Monatic Proprietary Limited and Novus Holdings Limited. He also serves as non-executive director on the boards of Remgro Limited, Aon Re Africa Proprietary Limited, Old Mutual Emerging Markets Limited, Swiss Re South Africa and ASX listed Mareterram.

Mustaq Ahmed Brey (Chief executive officer)

A co-founder and Chief Executive Officer of Brimstone, Mustaq is a qualified chartered accountant and currently serves as non-executive chairman of Oceana Group Limited and Life Healthcare Group Holdings Limited. He also serves on the boards of Aon Re Africa Proprietary Limited, Lion of Africa Insurance Company Limited, House of Monatic Proprietary Limited, Equites Property Fund Limited, FPG Investments Proprietary Limited, International Frontier Technologies SOC Limited and Western Province Cricket Association.

Geoffrey George Fortuin (Financial Director)

(Appointed 9 May 2016)

Geoff is a qualified chartered accountant and was a Partner at Deloitte & Touche for 15 years during which time he was responsible for a number of South African listed companies, including the audit of Brimstone up to 31 December 2012. He was also a member of the Deloitte South Africa Board. Geoff currently serves on the boards of Oceana Group Limited and Quantum Foods Holdings Limited.

Mohamed Iqbal Khan (Chief operating officer)

(Appointed 9 May 2016)

Iqbal is a qualified chartered accountant and is a former partner of Ernst & Young where he spent more than 10 years. He has recently re-joined the Brimstone team after having spent two years as Chief Operating Officer at Old Mutual Investment Group. He is currently an independent non-executive director of Cricket SA, and serves as non-executive director on the boards of Lion of Africa Insurance Company Limited and Sea Harvest.

Philip Leon Campher

The lead independent director of Brimstone, Leon is founder of Syfrets Managed Assets, Coronation Fund Managers Limited and African Harvest. His current directorships include Sun International Limited, Savings and Investments Association of South Africa (ASISA), International Investment Funds Association, Equites Property Fund Limited and JSE Clear (SARCOM).

Mzwandile John Terrold Hewu

Mzwandile currently serves as the Chief Director for Community and Partnership Development in the Western Cape Department of Social Development. Having worked as a Head Master in two different schools he has expertise in people and broader strategic management. He served as the Provincial Head of the biggest teachers' union in the country, SADTU, where he managed to build a number of value adding networks. His directorships and trusteeships include Elevated 154 Property Investments Proprietary Limited, The Lokoza Dywanisi Family Trust and Lokoza Property Investment Family Trust.

Keneilwe Rachel Moloko

Keneilwe started her career as a Quantity Surveyor with Grinaker Building, Dawson & Frazer and CP De Leeuw Quantity Surveyors. After a period of six years in the construction industry, she went back to study to become a chartered accountant. On completion of her articles at KPMG working in the financial services and tax divisions, she took up the position of development executive at Spearhead Properties. Thereafter, she joined Coronation Fund Managers as a Fixed Interest credit analyst and a member of the Coronation Credit Committee. Her directorships include The Prescient Foundation, KWV Holdings, Fairvest Property Holdings, Inkari Basadi Investments, Prescient Limited, ESOR Limited, Holdsport Limited and Ikamva Labantu Charitable Trust.

Liyaqat Allie Parker

Liyaqat is a founder member and former Chief Executive Officer of the Foodworld Stores Group, a FMCG retail chain in the Western Cape which was sold to Shoprite in 2005. He has extensive expertise in the retail sector and has more than 25 years' experience in the commercial property sector. He currently serves as Chairman of FPG Group Proprietary Limited, one of the larger privately owned commercial property funds in the country with a portfolio of prime retail real estate. He is also a director of various companies including Al Amien Foods Proprietary Limited, FPG Investments Proprietary Limited, FPG Foods Proprietary Limited, and a Board Member of The Friends of the Children's Hospital Association.

Nazeem Khan

Nazeem Khan has been in the quantity surveying profession for the past 32 years and has varied experience in all aspects of property development. His directorships include Stonefountain Properties Proprietary Limited, Perthpark Properties Proprietary Limited, BTKM Inc, Proman Project Management Services Proprietary Limited, Business Park Development Company Proprietary Limited and Equites Property Fund Limited. His current memberships include the Association of Arbitrators and the Royal Institution of Chartered Surveyors. He is a Council Member of the South African Council for Quantity Surveyors and chairs the disciplinary committee.

Mpho Kathleen Ndebele

Mpho served previously as a director of the Trans-Caledon Tunnel Authority, Siphumelele Investment Corporation, Impumelelo Social Innovations Centre, the Black Sash Trust and the Social Change Assistance Trust. She is currently a trustee of the Imam Abdullah Haron Education Trust and the Desmond Tutu HIV/AIDS Foundation.

Felicia Dawn Roman

Felicia's employment record includes being the head of the regional office of the Friedrich Ebert Foundation, the co-ordinator of the Provincial Development Council, the provincial director of the National Business Initiative and the deputy CEO of WESGRO. She joined Kfm Radio Proprietary Limited in May 2001 as managing director. In July 2006, Felicia joined Sun International Proprietary Limited as the general manager of The Golden Valley Casino in Worcester and was promoted to senior management responsible for Enterprise Development across the group. Since leaving Sun International, Felicia acquired Umlingo Proprietary Limited, a supplier to the casino industry. Felicia is a shareholder and director of Distinct Few – a boutique executive search firm.

Management of Brimstone

Takula Jenkins Tapela

TJ joined Brimstone in June 2005. He was previously Executive Assistant to the Old Mutual SA MD and was employed at Old Mutual SA Corporate Finance, African Harvest and the JSE. He serves as non-executive director of Curo Fund Services Proprietary Limited, Strategic Investment Service Life Limited, Strategic Investment Service Management Company Limited, House of Monatic Proprietary Limited and Hot Platinum Proprietary Limited (Alternate).

Tiloshani Moodley

Tiloshani joined Brimstone in 2001. She was appointed as Brimstone's Company Secretary in 2010. She is an alternate director of Sea Harvest, Obsidian Health Proprietary Limited and Company Secretary to Lion of Africa Insurance Company Limited. She is responsible for the review of legal agreements, monitoring of Brimstone's continuing legal contractual obligations and group-wide governance and compliance.

Michael O'Dea

Mike joined Brimstone in September 2002. His work experience includes being CFO of Protea Assurance Limited and FD of Cashbank Limited. Mike heads up group financial management and reporting and is also responsible for ongoing liaison with Brimstone's institutional counter-parties.

Nisaar Ahmed Pangarker

Nisaar joined Brimstone in 1995 as part of the founding team. He serves on the boards of African Peoples Investment Company Proprietary Limited, Commlife Holdings Proprietary Limited, Community Life Insurance Company Limited, Lion of Africa Fund Managers Proprietary Limited, and Lion of Africa Life Assurance Company

Limited. He is a member of the investment committee of the Masisizane Fund and is chairman of the Ilimalethu Trust. He also serves on the boards of Die Suidoosterfees and Cape Town Philharmonic Orchestra. His focus is on group marketing, corporate communications, and investor relations.

Gerhard Kotze

Gerhard joined Brimstone in July 2010. He previously spent six years at Nedbank Capital, three years as Joint Head of the Corporate Finance division. Whilst at Nedbank Capital, Gerhard advised Brimstone on the Old Mutual and Nedbank BEE transactions, the Oceana BEE transaction, the Sea Harvest LBO and the Life Healthcare transactions. He is a member of the South African Institute of Chartered Accountants and is based in Cape Town. His focus is on evaluating prospective investment opportunities, managing the treasury function for Brimstone as well as helping to manage Brimstone's current investment portfolio. Gerhard is also an alternate director of Grindrod Limited.

Sebastian Patel

Sebastian joined Brimstone in July 2010. He previously spent six and a half years at Nedbank Capital, the majority of which was spent in the Corporate Finance division. Whilst at Nedbank Capital, Sebastian advised Brimstone on the Sea Harvest LBO, the Tiger Brands BEE transaction and the Life Healthcare transactions. Sebastian is a Fellow of the Institute of Actuaries and is based in Johannesburg. His focus is on evaluating prospective investment opportunities for Brimstone as well as helping to manage Brimstone's current investment portfolio. Sebastian is a director on the boards of Obsidian Health Proprietary Limited and South African Enterprise Development Fund Proprietary Limited.

8.3 Directors' emoluments and benefits

Details of the Directors' emoluments and benefits for the year ended 31 December 2015 are set out below:

Executive Directors

Director	Basic salary R	Retirement fund contributions R	Medical aid contributions R	Bonus R	Total R
MA Brey	2 431 000	219 000	125 000	2 142 000	4 917 000
F Robertson	2 482 000	223 000	96 000	2 142 000	4 943 000
LZ Brozin*	2 537 000	228 000	–	2 142 000	4 907 000
Total	**7 450 000**	**670 000**	**221 000**	**6 426 000**	**14 767 000**

** Retired on 9 May 2016.*

Non-executive Directors

Director	Board fees R	Committee fees R	Total R
PL Campher	329 000	315 000	644 000
MJT Hewu	170 000	128 000	298 000
N Khan	170 000	194 000	364 000
MK Ndebele	170 000	102 000	272 000
K Moloko	170 000	51 000	221 000
LA Parker	170 000	119 000	289 000
FD Roman	170 000	34 000	204 000
Total	**1 349 000**	**943 000**	**2 292 000**

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

8.4 **Directors' interests in Brimstone Shares**

As at 31 December 2015, the Directors' interests in Brimstone Shares were as follows:

Ordinary Shares

	Direct		Indirect			
Director	**Beneficial**	**Non-beneficial**	**Beneficial**	**Non-beneficial**	**Total**	**% held***
MA Brey	1 299 039	–	3 817 893	117 664	5 234 596	12.24
LZ Brozin**	58 714	–	2 029 954	–	2 088 668	4.88
F Robertson	485 414	–	5 193 713	–	5 679 127	13.28
M Hewu	103 000	–	–	–	103 000	0.24
N Khan	128 136	–	126 712	–	254 848	0.60
LA Parker	–	–	403 000	–	403 000	0.94
Total	**2 074 303**	**–**	**11 571 272**	**117 664**	**13 763 239**	**32.18**

** Based on 42 757 604 Brimstone Ordinary Shares in issue as at 31 December 2015.*
*** Retired on 9 May 2016.*

There have been no dealings in Ordinary Shares by associates of Directors.

The following changes to the Directors' interests in Brimstone Ordinary Shares have taken place between 31 December 2015 and the Last Practicable Date.

Director	**Date**	**Nature of transaction**	**Nature of interest**	**Number of Ordinary Shares**
MA Brey	27 May 2016	On market purchase	Indirect beneficial	250 000
MA Brey	27 May 2016	On market purchase	Indirect beneficial holding of 25% in African Monarch	500 000
F Robertson	27 May 2016	On market purchase	Indirect beneficial holding of 25% in African Monarch	500 000
F Robertson	27 May 2016	On market purchase	Direct beneficial	10 000
F Robertson	27 May 2016	On market purchase	Indirect beneficial	35 000
LA Parker	27 May 2016	On market purchase	Indirect beneficial	250 000
N Khan	27 May 2016	On market purchase	Indirect beneficial	100 000

N Shares

	Direct		Indirect			
Director	**Beneficial**	**Non-beneficial**	**Beneficial**	**Non-beneficial**	**Total**	**% held***
MA Brey	414 308	–	16 199 718	181 028	16 795 054	6.88
LZ Brozin**	91 756	–	13 411 153	–	13 502 909	5.53
F Robertson	73 742	–	15 184 895	–	15 258 637	6.22
M Hewu	212 650	–	–	5 000	217 650	0.09
N Khan	123 227	–	1 062 039	–	1 185 266	0.49
MK Ndebele	102 554	–	–	–	102 554	0.04
LA Parker	–	–	2 103 366	–	2 103 366	0.86
Total	**1 018 237**	**–**	**47 961 171**	**186 028**	**49 165 436**	**20.11**

** Based on 244 103 200 Brimstone N Shares in issue as at 31 December 2015.*
*** Retired on 9 May 2016.*

There have been no dealings in N Shares by associates of Directors.

The following changes to the Directors' interests in Brimstone N Shares have taken place between 31 December 2015 and the Last Practicable date.

Director	Date	Nature of transaction	Nature of interest	Number of N Shares
MA Brey	10 March 2016	Exercise of share options	Indirect beneficial	153 880
MA Brey	10 March 2016	Grant and acceptance of forfeitable shares	Indirect beneficial	326 211
L Z Brozin*	10 March 2016	Exercise of share options	Indirect beneficial	93 100
L Z Brozin*	10 March 2016	Grant and acceptance of forfeitable shares	Indirect beneficial	326 211
F Robertson	10 March 2016	Grant and acceptance of forfeitable shares	Indirect beneficial	326 211
F Robertson	14 March 2016	Exercise of share options	Indirect beneficial	93 100

** Retired on 9 May 2016.*

8.5 **Directors' service contracts**

At present, all executive Directors of Brimstone have employment contracts with Brimstone, the terms of which are standard.

8.6 **Directors' interests in transactions**

None of the current Directors nor any former Directors who have resigned as Directors of Brimstone during the past 18 months have any interest in the Proposed Listing as contemplated in this Circular nor in any other transaction by Brimstone that was effected during the current or immediately preceding financial year or during an earlier financial year and which remains in any material respect outstanding or unperformed.

9. MAJOR SHAREHOLDERS OF BRIMSTONE

9.1 As at the Last Practicable Date, the following Brimstone Shareholders beneficially held in excess of 5% of the issued Brimstone Ordinary Shares:

Shareholder	Number of Ordinary Shares	Percentage held (%)*
Septen Investments Proprietary Limited	4 253 087	9.95
African Monarch 710 Investment Holdings Proprietary Limited	3 983 151	9.32
Cape Monarch Investments Proprietary Limited	3 538 104	8.27
Max Brozin Investment Corporation Proprietary Limited	3 608 499	8.44
Total	**15 382 841**	**35.98**

** Based on 42 757 604 Brimstone Ordinary Shares in issue as at the Last Practicable Date.*

9.2 As at the Last Practicable Date, the following Brimstone Shareholders beneficially held in excess of 5% of the issued Brimstone N Shares:

Shareholder	Number of N Shares	Percentage held (%)*
Cape Monarch Investments Proprietary Limited	48 549 671	20.36
The Brimstone Black Executive Investment Trust	27 233 500	11.42
Government Employees Pension Fund	13 801 380	5.79
Total	**89 584 551**	**37.57**

** Based on 238 423 687 Brimstone N Shares in issue as at the Last Practicable Date.*

10. **MATERIAL CONTRACTS**

The following material contracts have been entered into by Brimstone in the two years preceding the date of this Circular:

10.1 a bid implementation agreement between Sea Harvest and Mareterram on 7 April 2016 for Sea Harvest to acquire up to 59.6% of the equity of Mareterram. The offer was for a maximum consideration of R225.4 million. The transaction was a category 2 transaction for Brimstone in terms of the Listings Requirements. Details of the offer were set out in an announcement released on SENS on 8 April 2016;

10.2 a share sale agreement entered into between Brimstone's wholly-owned subsidiary, Brimco Proprietary Limited, with Kagiso Strategic Investments III Proprietary Limited on 8 April 2016 to acquire Kagiso Strategic Investments III Proprietary Limited's interest in Sea Harvest, increasing Brimstone's shareholding in Sea Harvest from 58.44% to 85%. The transaction was for a consideration of c.R270 million and was effected on 30 April 2016. The transaction was a category 2 transaction for Brimstone in terms of the Listings Requirements. Details of the transaction were set out in an announcement released on SENS on 8 April 2016;

10.3 a subscription agreement entered into between Brimstone and Equites Property Fund Limited relating to the subscription by Brimstone, via a wholly-owned subsidiary of Brimstone, Newshelf 1331 Proprietary Limited, of a circa 10% stake in Equites Property Fund Limited. The transaction was for a cash consideration of R350 million and was effected on 19 November 2015. Details of the transaction were set out in an announcement released on SENS on 18 November 2015;

10.4 a forward sale transaction concluded with Citigroup Global Markets Limited by Brimstone, through its indirect controlling beneficial interest in Brimstone Mtha UK SPV Limited, relating to the disposal of 11 390 000 Old Mutual ordinary shares. The transaction was for a total consideration of R459 million and was effected on 21 April 2015. Details of the transaction were set out in an announcement released on SENS on 22 April 2015; and

10.5 the disposal of 1 806 233 Nedbank ordinary shares on the open market by Brimstone, through its controlling beneficial interest in Brimstone Mtha Financial Services Trust, for a total consideration of R442.5 million. The transaction was effected on 4 March 2015. Further details were set out in an announcement released on SENS on 5 March 2015.

11. **MATERIAL LOANS**

Details of material loans made to Brimstone are set out in Annexure 6 to this Circular.

12. **MATERIAL CHANGES**

There have been no material changes in the affairs or financial position of the Company and its subsidiaries between 31 December 2015 and the Last Practicable Date.

13. **LITIGATION STATEMENT**

The Directors are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the previous 12 months, a material effect on the Group's financial position.

14. **OPINIONS, RECOMMENDATIONS AND UNDERTAKINGS**

The Board is of the opinion that the Proposed Listing is in the best interests of Brimstone and its subsidiaries and recommend that Brimstone Shareholders vote in favour of the Proposed Listing and the resolutions to be proposed at the General Meeting.

The Directors intend to vote in favour of the resolutions to be proposed at the General Meeting in respect of their personal holdings in the issued Share capital of Brimstone.

15. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of Brimstone, whose names are given on page 8 of this Circular:

15.1 collectively and individually, accept full responsibility for the accuracy of the information given;

15.2 certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading;

15.3 have made all reasonable enquiries to ascertain such facts; and

15.4 that this Circular contains all information required by law and the Listings Requirements.

16. WORKING CAPITAL STATEMENT

The Brimstone Board has considered the effects of the Proposed Listing and is of the opinion that, for a period of 12 months subsequent to the date of this Circular:

16.1 the Brimstone Group will in the ordinary course of business be able to pay its debts;

16.2 the assets of the Brimstone Group, fairly valued, will be in excess of its liabilities (for this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies applied to the latest audited financial results);

16.3 the Share capital and reserves of the Brimstone Group will be adequate for ordinary business purposes; and

16.4 the working capital of the Brimstone Group will be adequate for ordinary business purposes.

17. GENERAL MEETING AND BRIMSTONE SHAREHOLDER APPROVAL

17.1 Notice of General Meeting

The notice convening the General Meeting to approve the Proposed Listing is attached to this Circular. The General Meeting will be held at the Registered Office of Brimstone, 1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700 on Thursday, 9 March 2017 at 11:00.

17.2 If you hold Dematerialised Shares

17.2.1 ***Own-name registration***

You are entitled to attend in person, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries by no later than 11:00 on Tuesday, 7 March 2017.

Hand deliveries to:
Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:
Computershare Investor Services
Proprietary Limited
PO Box 61051
Marshalltown, 2107

Thereafter, forms of proxy may only be delivered physically to the Company at the location for the General Meeting and immediately prior thereto.

17.2.2 ***Other than own-name registration***

You are entitled to attend, or be represented by proxy, at the General Meeting. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the General Meeting. If you do wish to attend or be represented at the General Meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.

You must not complete the attached form of proxy.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instruction. If your CSDP or broker does not obtain instruction from you, they will be obliged to act in terms of your mandate furnished to them.

17.3 **If you hold Certificated Shares**

You are entitled to attend, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, by no later than 11:00 on Tuesday, 7 March 2017.

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank, 2196	Computershare Investor Services Proprietary Limited PO Box 61051 Marshalltown, 2107

Thereafter, forms of proxy may only be delivered physically to the Company at the location for the General Meeting and immediately prior thereto.

17.4 **Shareholder approval**

The Proposed Listing is subject to Brimstone Shareholder approval as set out in the notice of General Meeting forming part of this Circular.

17.5 **Voting rights**

All issued Brimstone Ordinary Shares and Brimstone N Shares rank *pari passu* with each other.

At the General Meeting, a Brimstone Shareholder is entitled to:

- one vote on a show of hands; and
- on a poll, a Brimstone N Shareholder is entitled to one vote for each Brimstone N Share held and a Brimstone Ordinary Shareholder is entitled to 100 votes for each Brimstone Ordinary Share held.

It should be noted that Treasury Shares will not be eligible to vote on the resolutions as contained in the notice of General Meeting forming part of this Circular.

18. CONSENTS

Nedbank CIB, Cliffe Dekker Hofmeyr, Deloitte & Touche, Standard Bank and Computershare have provided their written consents to act in the capacity stated and to their name being used in this Circular and have not withdrawn their consent prior to the publication of this Circular.

19. EXPENSES RELATING TO THE PROPOSED LISTING

The expenses for Brimstone relating to the Proposed Listing are estimated at approximately R1 935 720 (inclusive of VAT) and comprise:

Description	**R**
Nedbank CIB (Investment Bank, Corporate Advisor and Sponsor)	969 000
Cliffe Dekker Hofmeyr Inc. (Legal Advisor)	456 000
Deloitte & Touche (Independent Reporting Accountants)	285 000
JSE documentation fees	54 720
Printing costs	171 000
Total	**1 935 720**

20. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection by Brimstone Shareholders at the Registered Office of Brimstone from Wednesday, 8 February 2017 up to and including the date of the General Meeting, during normal business hours:

20.1 a signed copy of this Circular;

20.2 historical annual financial statements of Brimstone for the years ended 31 December 2015, 31 December 2014, 31 December 2013 and the reviewed interim results for the six months ended 30 June 2016;

20.3 historical annual financial statements of Sea Harvest for the years ended 31 December 2015, 31 December 2014, 31 December 2013 and the reviewed interim results for the six months ended 30 June 2016 and 30 June 2015;

20.4 the Independent Reporting Accountants' report on the historical financial information of Sea Harvest;

20.5 the Independent Reporting Accountants' assurance report on the *pro forma* Financial Effects;

20.6 Directors' service contracts;

20.7 the material contracts detailed in paragraph 10 above;

20.8 the MoI of Brimstone;

20.9 copies of the irrevocable undertakings obtained from Brimstone Shareholders; and

20.10 the written consents of Nedbank CIB, Cliffe Dekker Hofmeyr, Deloitte & Touche, SBSA and Computershare as set out in paragraph 18 of this Circular.

This Circular is signed in Cape Town on behalf of all the Directors in terms of powers of attorney granted on 18 January 2017.

MA Brey
Chief Executive Officer

8 February 2017
Cape Town

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF SEA HARVEST FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013

Set out below is an extract of the audited annual financial statements of Sea Harvest for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013.

Commentary

2015

Sea Harvest delivered a solid performance for the year with operating profit increasing by 17% to R113.8 million. Revenue was 1% higher than prior year despite a 5% reduction in catch volumes. Fishing conditions were very challenging especially in the second half of the year. Prices for hake remained strong, in addition to a 10% volume growth in the export market where demand was high. Sea Harvest continued with its capital investment programme by converting an existing trawler to a freezer trawler as well as upgrading its fresh fish plant. In the last two years over R200 million was invested in vessels and plant upgrades. In December 2015, Sea Harvest acquired a 19.9% stake in Mareterram, a vertically integrated agri-business which listed on the Australian Stock Exchange ("ASX") in Australia thereby securing its route to this critical market and providing a platform for future international growth.

2014

Catches for 2014 were 18% ahead of prior year, driven by improved vessel utilisation and increased catch rates. Both the wet fish and freezer fleets performed well during the year. Sales were strong both locally and internationally with continued demand for hake. This resulted in reasonable price increases being achieved in the local market and prices being maintained in the low inflationary export markets, which further benefited from favourable exchange rates. Revenue was 10% higher than the previous year. Sea Harvest maintained its position as a market leader in the South African frozen fish retail segment. Operating profit increased by 39% to R97 million. Sea Harvest expanded its fleet with the acquisition of a new vessel, Harvest Atlantic Peace at a cost of R130 million.

2013

Despite lower catches, sales volumes were 16% up on the prior year, with revenue up by 20% to R1.2 billion. The US and European economies have started to show signs of recovery. With firm prices and a favourable exchange rate, export revenue increased 22% on the prior year. Although the local market experienced a slowdown, Sea Harvest performed well, delivering an 18% increase in local sales revenue while maintaining the market leader position. Overall catch rates were reasonable, albeit 10% lower than the prior year's highs. Lower catch rates led to higher catch costs, which were further impacted by significant increases in the price of fuel. Land-based operations performed well, yielding positive processing variances despite lower throughput volumes. The operating profit increased by 78% to R69.8 million.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December

	Notes	2015 R'000	2014 R'000	2013 R'000
Revenue	1	1 365 487	1 349 543	1 232 195
Cost of sales		(1 024 519)	(985 728)	(921 455)
Gross profit		340 968	363 815	310 740
Other operating income		61 096	13 899	7 387
		402 064	377 714	318 127
Selling and distribution expenses		(98 659)	(94 763)	(82 400)
Marketing expenses		(10 267)	(10 611)	(12 227)
Administration expenses		(584)	(498)	(505)
Other operating expenses		(178 712)	(174 855)	(153 148)
Operating profit	2	113 842	96 987	69 847
Share of profit of joint venture	9	2 273	9 353	3 155
Profit before finance costs and taxation		116 115	106 340	73 002
Investment income	3	2 332	1 163	7 142
Finance costs	4	(50 606)	(49 676)	(54 543)
Net profit before taxation		67 841	57 827	25 601
Taxation	5	(24 742)	(19 828)	(11 212)
Profit for the year		43 099	37 999	14 389
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Net remeasurement (loss)/gain on defined benefit plans		(1 495)	–	699
Income tax relating to items that will not be subsequently reclassified to profit or loss		419	–	(196)
		(1 076)	–	503
Items that may be reclassified subsequently to profit or loss:				
Net fair value (loss)/gain on available-for-sale financial assets		–	(19 535)	18 984
Cash flow hedges		(136 272)	47 053	(10 708)
Income tax relating to items that may be reclassified subsequently to profit or loss		38 156	(9 527)	(683)
		(98 116)	17 991	7 593
Other comprehensive (loss)/income		(99 192)	17 991	8 096
Total comprehensive (loss)/income for the year		(56 093)	55 990	22 485
Profit for the year attributable to:				
Owners of the parent		43 099	37 999	14 389
Total comprehensive (loss)/income for the year attributable to:				
Owners of the parent		(56 093)	55 990	22 485
Earnings per share (cents)				
– Basic	6	4[1]	4	1
– Diluted	6	4[1]	4	1

1. In 2015, a 10:1 share split was effected.

Consolidated statement of financial position as at 31 December

	Notes	2015 R'000	2014 R'000	2013 R'000
ASSETS				
Non-current assets				
Property, plant, equipment and vehicles	7	442 952	365 438	235 072
Intangible assets	8	92 441	108 528	124 615
Investment in joint venture	9	7 860	14 035	15 944
Investment in associate	10	54 542	–	–
Available-for-sale investment	11	25 264	25 264	44 800
Loans to related parties	29	4 979	45	–
Total non-current assets		628 038	513 310	420 431
Current assets				
Inventories	12	168 907	187 596	181 203
Trade and other receivables	13	239 431	195 264	158 282
Financial assets	21	–	38 478	–
Cash and bank balances	14	76 418	91 270	148 376
Tax assets		4 546	14 183	–
Total current assets		489 302	526 791	487 861
Total assets		1 117 340	1 040 101	908 292
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	15.1	5 180	5 180	980
Preference share capital and premium	15.2	168 409	168 409	199 267
Other reserves	15.3	(55 271)	42 845	24 854
Retained earnings/(Accumulated loss)		11 772	(30 251)	3 818
Equity attributable to the owners of the parent		130 090	186 183	228 919
Total equity		130 090	186 183	228 919
Non-current liabilities				
Long-term interest-bearing borrowings	16	296 573	296 515	–
Loans from related parties	29	60 233	63 372	60 680
Employee related liabilities	17	25 427	23 103	22 211
Deferred grant income	18	15 110	–	–
Deferred tax liabilities	19	81 329	105 952	68 807
Shareholders for dividend		106 008	80 462	111 022
Total non-current liabilities		584 680	569 404	262 720
Current liabilities				
Trade and other payables	20	237 301	246 473	194 282
Financial liability	21	106 200	–	21 170
Short-term interest-bearing borrowings	16	41 297	26 158	183 593
Short-term deferred grant income	18	2 272	–	–
Provisions	22	15 500	11 883	2 743
Tax liabilities		–	–	14 865
Total current liabilities		402 570	284 514	416 653
Total equity and liabilities		1 117 340	1 040 101	908 292
Number of shares in issue at year end[1]		974 402	97 440	98 000
NAV per share (cents)		13.35[1]	191.00	233.59
TNAV per share (cents)		3.86[1]	80.00	106.43

1. In 2015, a 10:1 share split was effected.

Consolidated statement of cash flows for the year ended 31 December

	Notes	2015 R'000	2014 R'000	2013 R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	26	199 528	126 710	155 456
Interest received		2 332	1 163	3 642
Interest paid		(27 505)	(72 913)	(28 930)
Income tax paid		(1 152)	(21 258)	(32 781)
Dividends received from joint venture		7 970	11 955	1 993
Dividends received from available-for-sale investment		–	–	3 500
Ordinary dividends paid		–	(72 067)	–
Actuarial (losses)/gains		(1 495)	–	699
Net cash generated from operating activities		179 678	(26 410)	103 579
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of associate		(54 542)	–	–
Amounts advanced to related parties		(5 627)	(4 675)	–
Payments for property, plant, equipment and vehicles		(152 486)	(196 034)	(63 494)
Proceeds from the disposal of property, plant, equipment and vehicles		6 935	507	1 848
Proceeds from receipt of a government grant		20 125	–	–
Net cash used in investing activities		(185 595)	(200 202)	(61 646)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from/(repayment of) borrowings		15 196	139 080	(33 390)
(Repayment of)/proceeds from other liabilities		(24 131)	57 084	(6 789)
Proceeds from issue of equity instruments of the company		–	4 200	–
Preference share capital redeemed		–	(30 858)	–
Net cash (used in)/generated from financing activities		(8 935)	169 506	(40 179)
Net (decrease)/increase in cash and cash equivalents		(14 852)	(57 106)	1 754
Cash and cash equivalents at the beginning of the year	14	91 270	148 376	146 622
Cash and cash equivalents at the end of the year	14	76 418	91 270	148 376

Consolidated statement of changes in equity for the year ended 31 December 2015

	Stated capital R'000	Preference share capital R'000	Preference share premium R'000	Revaluation reserve R'000	Cash flow hedging reserve R'000	(Accumulated loss)/Retained earnings R'000	Total R'000
Balance as at 1 January 2013	980	20	199 247	17 893	(632)	(11 074)	206 434
Profit for the year	–	–	–	–	–	14 389	14 389
Items of other comprehensive income for the year, net of income tax:							
Remeasurement gains on defined benefit plans	–	–	–	–	–	503	503
Net fair value gain on available-for-sale financial asset	–	–	–	15 303	–	–	15 303
Net fair value loss on cash flow hedge	–	–	–	–	(7 710)	–	(7 710)
Total comprehensive income for the year	–	–	–	15 303	(7 710)	14 892	22 485
Balance as at 31 December 2013	980	20	199 247	33 196	(8 342)	3 818	228 919
Issue of ordinary shares	4 331	–	–	–	–	–	4 331
Repurchase/redemption of ordinary and preference shares	(131)	(3)	(30 855)	–	–	–	(30 989)
Profit for the year	–	–	–	–	–	37 999	37 999
Items of other comprehensive income for the year, net of income tax:							
Net fair value loss on available-for-sale financial asset	–	–	–	(15 887)	–	–	(15 887)
Net fair value loss on cash flow hedge	–	–	–	–	33 878	–	33 878
Total comprehensive income for the year	–	–	–	(15 887)	33 878	37 999	55 990
Dividends declared and paid	–	–	–	–	–	(72 067)	(72 067)
Balance as at 31 December 2014	5 180	17	168 392	17 309	25 536	(30 251)	186 183
Profit for the year	–	–	–	–	–	43 099	43 099
Items of other comprehensive income for the year, net of income tax:							
Net fair value loss on available-for-sale asset	–	–	–	–	–	(1 076)	(1 076)
Net fair value loss on cash flow hedge	–	–	–	–	(98 116)	–	(98 116)
Total comprehensive income for the year	–	–	–	–	(98 116)	42 023	(56 093)
Balance as at 31 December 2015	5 180	17	168 392	17 309	(72 580)	11 772	130 090

Accounting policies

Statement of Compliance

The consolidated historical financial information has been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

Basis of Preparation

The consolidated historical financial information has been prepared on an accruals basis and are based on historical costs except for the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The consolidated historical financial information has been prepared by Lisa Jainundh CA(SA), under the supervision of the Chief Financial Officer, JP de Freitas CA(SA).

A summary of the principal accounting policies adopted by the consolidated group in the preparation of the consolidated historical financial information is set out below. The accounting policies have been consistently applied, unless otherwise stated.

Directors' responsibility statement

The directors are responsible for the preparation, integrity and fair presentation of the consolidated historical financial information of Sea Harvest Holdings Proprietary Limited. The consolidated historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The directors consider that in preparing the consolidated historical financial information, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS sections that they consider to be applicable have been followed. The directors are satisfied that the information contained in the consolidated historical financial information presents fairly the results of operations and cash flows for the year and the financial position of the group and company at year-end.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the group and the company and enable the directors to ensure that the financial statements comply with the relevant legislation.

The group and company operate in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled.

The going-concern basis has been adopted in preparing the consolidated historical financial information. The directors have no reason to believe that the group and company will not be a going concern in the foreseeable future.

Basis of consolidation

The consolidated historical financial information incorporates the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies.

Changes in the group's ownership interests in existing subsidiaries

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated historical financial information using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the group's share of losses of an associate or a joint venture exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the associate or joint venture), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in an associate or a joint venture but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the group's consolidated historical financial information only to the extent of interests in the associate or joint venture that are not related to the group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are 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.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessee

Assets held under finance leases are initially recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Employee benefits

Short-term, other long-term and termination employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave, and other short-term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the group in respect of services provided by employees up to the reporting date.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Retirement benefit costs

For defined contribution retirement benefit plans, payments are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) and net interest costs are recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated historical financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant, equipment and vehicles

Property, plant, equipment and vehicles are carried at cost, less any accumulated depreciation and accumulated impairment losses. Assets subject to finance lease agreements are recognised at their fair value or, if lower, the present value of the minimum lease payments and the corresponding liabilities raised.

Depreciation begins when the asset is ready for its intended use and is recognised so as to write off the cost of the asset less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The anticipated useful lives for classes of property, plant, equipment and vehicles is as follows:

	Useful life
Freehold buildings	1 – 50 years
Leasehold improvements	term of lease
Fishing trawlers	3 – 18 years
Refits	2 years
Plant, machinery and equipment	1 – 40 years
Motor vehicles	2 – 14 years
Office equipment	2 – 26 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant, equipment and vehicles is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant, equipment and vehicles is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro rata* based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with IAS 18 Revenue.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

AFS financial assets are measured at fair value, and any fair value changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below), interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually, where there is objective evidence of impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Derecognition of financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

Hedge accounting

The group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the group's foreign operations are translated into South African Rand using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated historical financial information:

- useful lives and residual values used to calculate depreciation of property, plant and equipment;
- useful lives used to calculate amortisation of intangible assets;
- future cash flows and discount rates of cash-generating units used to test for impairment or reversal of impairment of property, plant, equipment and vehicles intangible assets and investments;
- assumptions used to make reliable estimates of provisions;
- recoverability of accounts receivable;
- valuation of available-for-sale investments;
- assumptions used to make estimates of post-retirement medical aid benefits; and
- obsolescence of inventory.

		2015 R'000	2014 R'000	2013 R'000
1.	**REVENUE**			
	Revenue for the year can be analysed as follows:			
	Revenue from the sale of goods	1 365 487	1 349 543	1 232 195
2.	**OTHER OPERATING INCOME/(EXPENSES)**			
	Operating profit is arrived at after taking into account the following:			
	Income			
	Foreign currency gains	46 460	–	–
	Government grant income	2 743	–	–
	Profit on the disposal of property, plant, equipment and vehicles	5 636	–	31
	Expenses excluding employee expenses			
	Amortisation of intangible assets	16 087	16 087	16 087
	Audit remuneration			
	– Fees current year	1 076	723	920
	– Other services	18	50	19
	Depreciation	73 672	64 648	56 929
	Inventory write-downs to net realisable value/(reversal of write-downs)	12	1 722	(578)
	Repairs and maintenance	74 442	71 570	63 157
	Loss on the disposal of property, plant, equipment and vehicles	–	513	–
	Foreign currency losses	–	2 458	26 397
	Operating lease rental expense			
	Land and buildings	5 492	5 570	4 644
	Property, plant, equipment and vehicles	8 993	10 032	9 954
	Research and development	1 775	1 408	1 734
	Employee related expenses			
	Salaries and wages	398 826	361 436	309 283
	Post-employment benefits	17 580	15 455	13 276
	Total employee related expenses	416 406	376 891	322 559
3.	**INVESTMENT INCOME**			
	Investment income for the year can be analysed as follows:			
	Interest received on bank deposits and from external parties	2 332	1 163	3 642
	Dividends received from available-for-sale investment	–	–	3 500
		2 332	1 163	7 142
4.	**FINANCE COSTS**			
	Finance costs for the year can be analysed as follows:			
	Interest on borrowings	24 920	25 296	28 930
	Interest on instalment sale agreement obligations	139	24	–
	Preference dividends	25 547	24 356	25 613
		50 606	49 676	54 543
5.	**TAXATION**			
	Tax recognised in profit or loss			
	South African normal taxation			
	Current tax			
	In respect of the current year	10 975	16 563	45 035

	2015 R'000	2014 R'000	2013 R'000
In respect of prior year overprovision	–	(24 933)	–
	10 975	(8 370)	45 035
Deferred tax			
In respect of the current year	13 767	4 638	(33 823)
In respect of prior year underprovision	–	23 249	–
	13 767	27 887	(33 823)
Securities transfer tax			
In respect of the current year	–	311	–
Total income tax expense recognised in the current year	24 742	19 828	11 212
The income tax expense for the year can be reconciled to the accounting profit as follows:			
Profit before tax	67 841	57 827	25 601
Income tax expense calculated at 28%	18 995	16 192	7 168
Effect of income that is exempt from tax	(2 298)	(3 347)	(1 538)
Effect of expenses that are not deductible in determining taxable profit	6 450	7 628	5 908
Effect of share of results of joint venture	1 595	728	(326)
Effect of securities transfer tax	–	311	–
	24 742	21 512	11 212
Adjustments recognised in the current year in relation to the current and deferred tax of prior years	–	(1 684)	–
Income tax expense recognised in profit or loss	24 742	19 828	11 212

6. EARNINGS AND DIVIDEND PER SHARE

6.1 Basic and diluted earnings

Basic and diluted earnings per share are calculated by dividing the profit for the year attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

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

Profit for the year attributable to owners of the parent	43 099	37 999	14 389
Earnings used in the calculation of basic and diluted earnings per share	43 099	37 999	14 389
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	974 402 360	962 187 766	980 000 000

6.2 Headline and diluted headline earnings

Headline and diluted headline earnings per share are calculated by dividing earnings in accordance with IAS 33, excluding separable identifiable remeasurements, net of the related tax and related non-controlling interest (other than those specifically allowed to be included in headline earnings) by the weighted average number of ordinary shares outstanding during the year.

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

	2015 R'000	2014 R'000	2013 R'000
Earnings used in the calculation of basic and diluted earnings per share	43 099	37 999	14 389
Separable identifiable remeasurements excluded:			
(Gain)/loss on disposal of property plant, equipment and vehicles	(5 636)	513	(31)
Insurance proceeds received for the loss of property, plant, equipment and vehicles	–	–	9 972
Tax effects of the transactions listed above	1 578	(144)	9
Earnings used in the calculation of headline and diluted headline earnings per share	39 041	38 368	24 339
Weighted average number of ordinary shares for the purposes of headline and diluted headline earnings per share	974 402 360	962 187 766	980 000 000
There are no dilutive instruments.			
Headline earnings per share (cents)			
– Basic	4	4	2
– Diluted	4	4	2

6.3 **Dividend per share**

A dividend of 74 cents per ordinary share was declared and paid in 2014.

7. PROPERTY, PLANT, EQUIPMENT AND VEHICLES

	Freehold land and buildings R'000	Leasehold land and buildings R'000	Fishing trawlers and refits R'000	Plant, machinery and equipment R'000	Motor vehicles R'000	Office equipment R'000	Total R'000
2015							
Balance as at 1 January 2015	652	13 575	272 500	72 026	1 522	5 163	365 438
Cost	656	26 989	512 676	124 916	2 523	17 150	684 910
Accumulated depreciation and impairment	(4)	(13 414)	(240 176)	(52 890)	(1 001)	(11 987)	(319 472)
Additions	153	2 582	116 951	27 411	640	4 749	152 486
Disposals							
Cost	(222)	–	(2 500)	(173)	(275)	(56)	(3 226)
Accumulated depreciation and impairment	–	–	1 439	173	275	39	1 926
Depreciation for the year	(1)	(3 016)	(56 068)	(12 527)	(457)	(1 603)	(73 672)
Balance as at 31 December 2015	582	13 141	332 322	86 910	1 705	8 292	442 952
Cost	587	29 571	627 127	152 154	2 888	21 843	834 170
Accumulated depreciation and impairment	(5)	(16 430)	(294 805)	(65 244)	(1 183)	(13 551)	(391 218)

Property, plant, equipment and vehicles with a carrying amount of R69 million were acquired with the assistance of a DTI government grant. The government grant is treated as deferred income and released to the statement of profit or loss and other comprehensive income over the useful lives of the assets (please refer to note 18).

The moveable assets of the group including plant, equipment and vehicles (with a carrying amount of R429 million in 2015 and R351 million in 2014) have been pledged to secure long-term borrowings of the group (see note 16).

	Freehold land and buildings R'000	Leasehold land and buildings R'000	Fishing trawlers and refits R'000	Plant, machinery and equipment R'000	Motor vehicles R'000	Office equipment R'000	Total R'000
2014							
Balance as at 1 January 2014	652	16 011	152 743	59 299	715	5 652	235 072
Cost	656	26 454	344 922	101 361	1 710	16 219	491 322
Accumulated depreciation and impairment	(4)	(10 443)	(192 179)	(42 062)	(995)	(10 567)	(256 250)
Additions	–	596	167 773	24 572	1 628	1 465	196 034
Disposals							
Cost	–	(61)	(19)	(1 017)	(815)	(534)	(2 446)
Accumulated depreciation and impairment	–	35	14	732	267	378	1 426
Depreciation for the year	–	(3 006)	(48 011)	(11 560)	(273)	(1 798)	(64 648)
Balance as at 31 December 2014	652	13 575	272 500	72 026	1 522	5 163	365 438
Cost	656	26 989	512 676	124 916	2 523	17 150	684 910
Accumulated depreciation and impairment	(4)	(13 414)	(240 176)	(52 890)	(1 001)	(11 987)	(319 472)

The moveable assets of the group including plant, equipment and vehicles (with a carrying amount of R351 million in 2014 and R218 million in 2013) have been pledged to secure long-term borrowings of the group (see note 16).

	Freehold land and buildings R'000	Leasehold land and buildings R'000	Fishing trawlers and refits R'000	Plant, machinery and equipment R'000	Motor vehicles R'000	Office equipment R'000	Total R'000
2013							
Balance as at 1 January 2013	653	15 813	150 545	57 503	785	5 025	230 324
Cost	656	23 704	306 743	89 482	1 556	14 060	436 201
Accumulated depreciation and impairment	(3)	(7 891)	(156 198)	(31 979)	(771)	(9 035)	(205 877)
Additions	–	2 750	46 329	11 888	175	2 352	63 494
Disposals							
Cost	–	–	(8 150)	(9)	(21)	(193)	(8 373)
Accumulated depreciation and impairment	–	–	6 363	9	21	163	6 556
Depreciation for the year	(1)	(2 552)	(42 344)	(10 092)	(245)	(1 695)	(56 929)
Balance as at 31 December 2013	652	16 011	152 743	59 299	715	5 652	235 072
Cost	656	26 454	344 922	101 361	1 710	16 219	491 322
Accumulated depreciation and impairment	(4)	(10 443)	(192 179)	(42 062)	(995)	(10 567)	(256 250)

The moveable assets of the group including plant, equipment and vehicles (with a carrying amount of R218 million in 2013 and R213 million in 2012) have been pledged to secure long-term borrowings of the group (see note 16).

	2015 R'000	2014 R'000	2013 R'000
8. INTANGIBLE ASSETS			
Long-term fishing rights			
Balance as at 1 January	108 528	124 615	140 702
Cost	198 437	198 437	198 437
Accumulated amortisation	(89 909)	(73 822)	(57 735)
Amortisation for the year	(16 087)	(16 087)	(16 087)
Balance as at 31 December	92 441	108 528	124 615
Cost	198 437	198 437	198 437
Accumulated amortisation	(105 996)	(89 909)	(73 822)

The long-term fishing rights have a definite useful life of 13 years and are amortised over this period. The rights held are up for renewal in 2021, at which time the Department of Forestry and Fisheries will perform its review of fishing rights distributions.

9. **INVESTMENT IN JOINT VENTURE**

The group holds a 49.813% interest in Vuna Fishing Company Proprietary Limited, a joint venture involved in the fishing and fish processing industries. The group's interest in Vuna Fishing Company Proprietary Limited is accounted for using the equity method in the consolidated historical financial information.

The following table illustrates the summarised financial information of the group's investment in Vuna Fishing Company Proprietary Limited:

	2015 R'000	**2014 R'000**	**2013 R'000**
Current assets	35 267	36 320	23 181
Non-current assets	26 109	16 835	25 348
Current liabilities	25 977	21 759	17 189
Non-current liabilities	23 080	6 863	3 932
Revenue	162 857	167 759	111 864
Operating profit before tax	7 458	29 524	11 487
Income tax (expense)/credit	(2 891)	8 390	(3 991)
Profit for the year	4 567	37 914	7 496
Share of profit of joint venture	2 273	9 353	3 155
Less: Dividends received during the year	(7 970)	(11 955)	(1 993)
(Dividends paid out of retained income)/share of retained income	(5 697)	(2 602)	1 162
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated historical financial information:			
Net assets of the joint venture	12 318	24 533	27 408
Proportion of the group's ownership interest in the joint venture (%)	49.813	49.813	49.813
Unrealised profits (net of tax)	1 724	1 815	2 291
Carrying amount of the group's interest in the joint venture	7 860	14 035	15 944

10. **INVESTMENT IN ASSOCIATE**

The group holds a 19.9% interest in Mareterram Limited, a fishing and fish processing business situated on the Australian West Coast and listed on the Australian Stock Exchange (ASX). The group's interest in Mareterram Limited was accounted for using the equity method in the consolidated historical financial information.

The following table illustrates the summarised financial information of the group's investment in Mareterram Limited:

	2015 R'000	2014 R'000	2013 R'000
Current assets	144 469	–	–
Non-current assets	514 667	–	–
Current liabilities	98 329	–	–
Non-current liabilities	271 668	–	–
The group did not share in the associate's profits for 2015, as the group's interest in Mareterram Limited was acquired in December 2015.			
Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated historical financial information:			
Net assets of the associate	289 139	–	–
Proportion of the group's ownership interest in the associate (%)	19.9	–	–
Negative goodwill	(2 997)	–	–
Carrying amount of the group's interest in the associate	54 542	–	–

11. **AVAILABLE-FOR-SALE INVESTMENT**

Desert Diamond Fishing Proprietary Limited	25 264	25 264	44 800

The group holds 10% of the ordinary share capital of Desert Diamond Fishing Proprietary Limited, a company involved in the fishing and fishing processing industries.

The group reassesses the valuation of the available-for-sale investment annually. The group used an independent valuator in 2015. In 2014 and 2013, the valuation was determined by applying a discounted cash flow method using a discount rate of 15% over 8 years.

12. **INVENTORIES**

Raw materials	31 100	17 859	20 323
Work-in-progress	14 281	17 991	38 121
Finished goods	100 060	129 856	100 525
Consumable stores	29 936	28 215	29 092
	175 377	193 921	188 061
Less: Provision for obsolescence	(6 470)	(6 325)	(6 858)
Total inventories at the lower of cost and net realisable value	168 907	187 596	181 203

The cost of inventories recognised as an expense during the year ended 31 December 2015 was R1 024 million (2014: R985 million; 2013: R921 million). This is recognised in cost of sales.

The moveable assets of the group including inventory with a carrying amount of approximately R168 million in 2015 (2014: R187 million; 2013: R181 million) have been pledged to secure long-term borrowings of the group (see note 16).

	2015 R'000	2014 R'000	2013 R'000
13. TRADE AND OTHER RECEIVABLES			
Trade receivables	198 883	170 372	145 568
Less: Provision for doubtful debts	(42)	(42)	(171)
Net trade receivables	198 841	170 330	145 397
Other receivables	6 176	5 401	2 448
Prepayments	8 794	9 934	4 684
VAT receivable	25 620	9 599	5 753
	239 431	195 264	158 282

Trade receivables and other receivables are non-interest-bearing and are generally on terms of 30 to 90 days.

Other receivables consist of non-trade debtors and other sundry receivables

As at 31 December, the movement in the provision for doubtful debts is as follows:

	2015 R'000	2014 R'000	2013 R'000
Balance at the beginning of the year	42	171	879
Impairment losses recognised during the year	–	5	105
Amounts written off during the year as uncollectible	–	(134)	(762)
Amounts recovered during the year	–	–	(51)
Balance at the end of the year	42	42	171

As at 31 December, the ageing of trade receivables is as follows:

	Total R'000	Neither past due nor impaired R'000	Past due but not impaired: 30 – 60 days R'000	60 – 90 days R'000	90 – 120 days R'000	> 120 days R'000
2015	198 841	174 638	21 569	2 162	18	454
2014	170 330	160 409	–	306	48	9 567
2013	145 397	145 297	35	15	2	48

Please refer to note 27 on credit risk of trade receivables, which explains how the group manages and measures credit quality of trade receivables that are neither past due nor impaired.

The moveable assets of the group including trade and other receivables with a carrying amount of R239 million in 2015 (2014: R233 million; 2013: R158 million) have been pledged to secure long-term borrowings of the group (see note 16).

14. **CASH AND BANK BALANCES**

	2015 R'000	2014 R'000	2013 R'000
Cash and bank balances	76 418	91 270	148 376

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 December 2015, the group had available R50 million (2014: R91 million; 2013: R148 million) of undrawn borrowing facilities.

15. **SHARE CAPITAL AND RESERVES**

15.1 **Stated capital**

	2015 R'000	**2014 R'000**	**2013 R'000**
Authorised			
1 500 000 000 ordinary shares of no par value (2014 and 2013: par value R0.01 per share)	–	1 500	1 500
Issued and fully paid			
At beginning of year			
97 440 236 (2014: 98 000 000; 2013: 98 000 000) ordinary shares of no par value	5 180	980	980
Issue of share capital	–	4 331	–
Share repurchase	–	(131)	–
At end of year			
974 402 351 ordinary shares of no par value (2014 and 2013: par value R0.01 per share) (2014: 97 440 236; 2013: 98 000 000)	5 180	5 180	980

15.2 **Preference share capital and premium**

Authorised			
1 000 000 Class A cumulative redeemable preference shares of R0.01 each	10	10	10
2 000 000 Class B cumulative redeemable preference shares of R0.01 each	20	20	20
	30	30	30
Issued			
Nil (2014: Nil; 2013: 308 575) Class A cumulative redeemable preference shares of R0.01 each	–	–	3
1 684 093 Class B cumulative redeemable preference shares of R0.01 each	17	17	17
Share premium	168 392	168 392	199 247
	168 409	168 409	199 267

Cumulative redeemable preference shares, which have a par value of R0.01 are entitled to receive cumulative preferential cash dividends which shall be calculated at a variable rate equal to 104.5% of the prime rate on an amount equal to the subscription price together with all the preference dividends which have been compounded – for the year from and including the issue date, but excluding the redemption date. Preference shares are classified as compound instruments with an equity and liability component. The underlying instrument is redeemable at the option of the issuer and treated as equity while the accruing preference share dividends are recognised as interest and a liability payable to the preference shareholders.

As at 31 December, the movement in preference share capital and premium is as follows:

Balance at the beginning of the year	168 409	199 267	199 267
Share redemption	–	(30 858)	–
Balance at the end of the year	168 409	168 409	199 267

15.3 **Other reserves (net of income tax)**

	2015 R'000	2014 R'000	2013 R'000
Revaluation reserve[1]	17 309	17 309	33 196
Cash flow hedging reserve[2]	(72 580)	25 536	(8 342)
	(55 271)	42 845	24 854

1. *The revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.*
2. *The cash flow hedging reserve arises from the change in fair value of foreign exchange forward contracts held by the group and designated as effective cash flow hedging instruments at year-end. The effective portion of changes in the fair value of foreign exchange forward contracts is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.*

15.4 **Dividends**

Dividends on ordinary shares declared and paid	–	72 067	–

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

16. **LONG-TERM INTEREST-BEARING BORROWINGS**

	2015 R'000	2014 R'000	2013 R'000
Secured – at amortised cost			
Term Loans with Standard Bank of South Africa Limited:			
– Senior debt (variable interest rate)[1]	98 879	124 811	–
– Senior debt (variable interest rate)[2]	40 000	–	–
– revolving credit facility (variable interest rate)[3]	197 000	197 000	–
Term Loans with Investec Limited:			
– Senior debt (variable interest rate)[4]	–	–	10 799
– Senior debt (fixed interest rate)[4]	–	–	16 798
– Mezzanine debt (variable interest rate)[4]	–	–	51 744
– Mezzanine debt (fixed interest rate)[4]	–	–	104 252
Unsecured – at amortised cost			
Instalment sale agreements with Wesbank, a division of FirstRand Bank Limited[5]	1 991	862	–
	337 870	322 673	183 593
Less: current portion of long-term interest-bearing borrowings[6]	41 297	26 158	183 593
Non-current portion of long-term interest-bearing borrowings	296 573	296 515	–

1. *The loan is repayable in full on 29 March 2019. The loan is subject to a variable interest rate of JIBAR plus 1.8% and is effective from 31 March 2014. The average quarterly repayment is R8.7 million. The loan is secured by a general notarial bond over all of Sea Harvest Corporation Proprietary Limited's moveable assets.*
2. *The loan is repayable in full on 29 March 2019. The loan is subject to a variable interest rate of JIBAR plus 2.1% and is effective from 31 December 2015. The average quarterly repayment is R3.5 million. The loan is secured by a general notarial bond over all of Sea Harvest Corporation Proprietary Limited's moveable assets.*
3. *The loan is repayable in full on 29 March 2019. Interest payments are made quarterly in arrears and the loan is subject to a variable interest rate of JIBAR plus 2.1%. The loan is secured by a general notarial bond over all of Sea Harvest Corporation Proprietary Limited's moveable assets.*

   The loans with The Standard Bank of South Africa Limited arose as a result of the March 2014 refinancing of the outstanding balance of the Investec loan and to finance the acquisition of vessels.

4. *The loan with Investec Limited arose out of the capital restructure of Sea Harvest in 2 009. On 1 October 2009, the interest rate on R100 million of the outstanding capital was fixed at 12.46% until April 2011, after which this fixed portion decreased in line with the amortised capital balance until it was fully repaid. R30 million reverted to a variable interest rate of JIBAR plus 4.05%, effective 1 June 2012 and decreased in line with the amortised capital balance until it was fully repaid. Repayments of R3.68 million were made quarterly in arrears on the variable portion until the balance was fully amortised. Overall the average quarterly repayment over the remaining term of the debt was R9.5 million. The loan was secured by a general notarial bond over all of Sea Harvest Corporation Proprietary Limited's movable assets. Term loans owed to Investec Limited were paid in full on 31 March 2014.*
5. *At the end of the reporting period, the group has five outstanding instalment sale agreements, entered into for the purpose of funding property, plant, equipment and vehicle acquisitions. The loans are repayable in full between 31 August 2018 and 30 September 2019. Interest on the loans is charged monthly, in arrears, at a fixed rate of 8.75%. The asset subject to the instalment sale agreement serves as security for the outstanding loan amount.*
6. *The repayment of the short-term portion of the long-term loans will be funded out of cash generated from operations.*

17. EMPLOYEE RELATED LIABILITIES

Defined contribution plans

The group provides for retirement benefit plans for all qualifying employees of its subsidiary, Sea Harvest Corporation Proprietary Limited, through independent funds. These funds (listed below) are governed by the Pension Funds Act of 1956 of the Republic of South Africa.

The number of employees that belong to each fund are:

	2015	2014	2013
Sea Harvest Old Mutual Superfund Provident Fund	1 723	1 569	1 612
Sea Harvest Old Mutual SuperFund Management Provident Fund	27	31	–
Sea Harvest Old Mutual SuperFund Pension Fund	116	114	–
Sea Harvest Twilight Group Management Provident Fund*	–	–	29
Sea Harvest Twilight Group Pension Fund*	–	–	113

** The group has transferred the Sea Harvest Management Provident Fund and Defined Contribution Pension Fund from the Twilight Group Pension and Provident Funds to the Old Mutual Superfund with effect from 1 October 2013.*

The only obligation of the group with respect to the retirement benefit plans funds is to make the specified contributions each month.

The total expense recognised in profit or loss of 2015: R17 million (2014: R15 million, 2013: R13 million) represents contributions payable to these funds by the group at rates specified in the rules of the funds.

As at 31 December 2015, contributions of 2015: R4.5 million (2014: R3.9 million, 2013: R3.4 million) due in respect of the 2015 (2014; 2013) reporting periods had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

Defined benefit plans – Post-retirement medical assistance

The group subsidises a portion of medical aid subscriptions for all qualifying employees of its subsidiary, Sea Harvest Corporation Proprietary Limited. The present value of the defined obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The group has no separately identified plan assets to fund the liability. As at 31 December 2015, there were 45 employees (2014: 43; 2013: 47) who qualified for the benefit.

The most recent actuarial valuation of the defined benefit obligation was carried out at 31 December 2015 by Alexander Forbes.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Discount rate (%)	10.7	8.25	8.25
Healthcare cost inflation (%)	9.8 to 10.3	7.9 to 8.4	7.9 to 8.4
Retirement age	63 or 65	63 or 65	63 or 65

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

	2015 R'000	2014 R'000	2013 R'000
Current service cost	195	178	168
Interest costs	1 993	1 926	1 552
Actuarial loss/(gain) recognised	1 495	–	(699)
	3 683	2 104	1 021

Movements in the present value of the defined benefit obligation in the current year were as follows.

Opening defined benefit obligation	23 103	22 211	20 882
Current service cost	195	178	168
Interest cost	1 993	1 926	1 552
Actuarial losses arising during the year	1 495	–	699
Benefits paid	(1 359)	(1 212)	(1 090)
Closing defined benefit obligation	25 427	23 103	22 211

18. **DEFERRED GRANT INCOME**

Balance as at 1 January	–	–	–
Received during the year	20 125	–	–
Released to profit or loss	(2 743)	–	–
Balance as at 31 December	17 382	–	–
Less: current portion of deferred grant income	(2 272)	–	–
Non-current portion of deferred grant income	15 110	–	–

Government grants have been received in 2015 for the purchase of items of property, plant, equipment and vehicles. All conditions or contingencies attached to these grants were fulfilled and the grant is treated as deferred income and released to profit or loss over the useful lives of the funded assets.

In 2015, a portion of the grant income received (R0.602 million) was released to profit or loss to offset depreciation charges recognised in relation to the funded assets, for periods prior to receiving the grant.

19. **DEFERRED TAXATION**

Group deferred tax (assets)/liabilities presented in the consolidated statement of financial position can be analysed as follows:

Deferred tax assets	(58)	(60)	(38)
Deferred tax liabilities	81 387	106 012	68 845
	81 329	105 952	68 807

	Opening balance R'000	Recognised in profit or loss R'000	Recognised in other comprehensive income R'000	Closing balance R'000
2015				
Deferred tax (liabilities)/assets in relation to:				
Property, plant, equipment and vehicles	77 009	19 684	–	96 693
Intangible assets	30 033	(4 445)	–	25 588
Financial assets	3 831	–	–	3 831
Provision for doubtful debts	(9)	–	–	(9)
Prepayments	290	62	–	352
Government grant	–	768	–	768
Cash flow hedges	9 930	–	(38 156)	28 226
Lease smoothing	(1 703)	(256)	–	(1 959)
Provisions	(12 938)	(2 039)	(419)	(15 396)
Other	(431)	176	–	(255)
	106 012	13 950	(38 575)	81 387
Tax losses	(60)	2	–	(58)
	105 952	13 952	(38 575)	81 329
2014				
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	41 620	35 389	–	77 009
Intangible assets	34 478	(4 445)	–	30 033
Financial assets	7 479	–	(3 648)	3 831
Provision for doubtful debts	(36)	27	–	(9)
Prepayments	255	35	–	290
Cash flow hedges	(3 245)	–	13 175	9 930
Lease smoothing	(1 378)	(325)	–	(1 703)
Provisions	(10 127)	(2 811)	–	(12 938)
Other	(201)	(230)	–	(431)
	68 845	27 640	9 527	106 012
Tax losses	(38)	(22)	–	(60)
	68 807	27 618	9 527	105 952
2013				
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	71 313	(29 693)	–	41 620
Intangible assets	38 923	(4 445)	–	34 478
Financial assets	3 798	–	3 681	7 479
Provision for doubtful debts	(185)	149	–	(36)
Prepayments	–	255	–	255
Cash flow hedges	(246)	–	(2 999)	(3 245)
Lease smoothing	(1 040)	(338)	–	(1 378)
Provisions	(10 593)	270	196	(10 127)
Other	(152)	(49)	–	(201)
	101 818	(33 851)	878	68 845
Tax losses	(28)	(10)	–	(38)
	101 790	(33 861)	878	68 807

20. TRADE AND OTHER PAYABLES

	2015 R'000	2014 R'000	2013 000
Trade payables	193 114	209 728	160 651
Other payables	22 763	18 388	17 671
Leave pay accrual	14 428	12 272	11 036
Operating lease payables	6 996	6 085	4 924
	237 301	246 473	194 282

Trade and other payables are non-interest-bearing and are generally on terms of 30 to 90 days.

Other payables consist of non-trade payables and other sundry payables.

Please refer to note 27 on liquidity risk of trade payables, which explains the group's process for managing its liquidity risk.

21. FINANCIAL ASSET/LIABILITY

Financial asset	–	38 478	–
Financial liability	106 200	–	21 170

The financial asset or liability arises from the change in fair value of foreign exchange forward contracts held by the group. The forward contracts are designated as effective cash flow hedging instruments at year-end. The effective portion of changes in the fair value of foreign exchange forward contracts is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

22. PROVISIONS

Bonus			
Balance as at 1 January	11 711	2 584	–
Arising during the year	15 500	11 711	2 584
Utilised during the year	(11 711)	(2 584)	–
Balance as at 31 December	15 500	11 711	2 584
Product claims			
Balance as at 1 January	172	159	152
Arising during the year	–	172	7
Utilised during the year	(172)	(159)	–
Balance as at 31 December	–	172	159
Total Provisions	15 500	11 883	2 743

Bonus

A provision is recognised for expected bonus payments in January of the following year. The provision is calculated by management based on earning targets for the year, and employee performance during the year.

Product claims

A provision is recognised for expected customer claims on defective products sold during the year. The provision is calculated based on retail value of the defective inventory and the likelihood that a payment would need to be made to the affected customers.

23. TRANSITION TO IFRS

The group reassessed its accounting framework (previously complied with IFRS for SMEs) and elected to comply with the requirements of full International Financial Reporting Standards (IFRS) in order to comply with the JSE Listings Requirements. As a result of this election, the group has identified the following policy changes which have impacted results previously reported.

Leases

In line with the IFRS for SMEs, operating lease rental expenses were recognised in profit or loss as and when the rental accrued. No lease smoothing adjustment was made over the non-cancellable lease period as required by IAS 17 (the group have elected not to early adopt IFRS 16).

Government grants

In line with IFRS for SMEs, government grant income was recognised in profit or loss as and when the grant was received. No adjustment was made to release the grant income to profit or loss to match the recognition of the related expense in profit or loss, as required by IAS 20.

Defined benefit obligations

In line with the IFRS for SMEs, actuarial gains and losses on the defined benefit plan were recognised in profit or loss in the year they were accrued/incurred. These gains/losses should have been recognised in other comprehensive income as required by IAS 19.

Except for the items mentioned above, the group has consistently applied the abovementioned accounting policies to all periods presented in the consolidated historical financial information.

The transition to IFRS had the following impact on the line items in the consolidated historical financial information:

The impact on equity increase/(decrease) in equity

	2015 R'000	2014 R'000	2013 R'000
Equity previously reported	147 802	190 564	232 466
Deferred government grant	(17 382)	–	–
Lease smoothing liability	(6 996)	(6 084)	(4 924)
	(24 378)	(6 084)	(4 924)
Tax effect of above	6 666	1 703	1 378
Total adjustment to equity	(17 712)	(4 381)	(3 547)
Equity restated	130 090	186 183	228 919
Reconciliation of profit			
Profit for the year as previously reported	55 352	38 835	15 763
Lease smoothing expense	(910)	(1 161)	(1 209)
Government grant income reversed	(17 382)	–	–
Actuarial loss/(gain) on defined benefit obligation reversed and disclosed in the statement of comprehensive income	1 495	–	(699)
Deferred tax charge	4 544	325	534
Total adjustment	(12 253)	(836)	(1 374)
Attributable to:			
Profit or loss under IFRS	43 099	37 999	14 389
Other comprehensive income as previously reported	(98 116)	17 991	7 593
Other comprehensive income under IFRS	(1 076)	–	503
Total comprehensive (loss)/income for the year restated	(56 093)	55 990	22 485

The transition did not have an impact on the group's operating, investing and financing cash flows.

24. **SEGMENT REPORTING**

The group has determined that there are no reportable segments.

25. **FAIR VALUE MEASUREMENT**

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

		Fair value measurement using			
	Date of valuation	**Total R'000**	**Prices quoted in active markets (Level 1) R'000**	**Significant observable inputs (Level 2) R'000**	**Significant unobservable inputs (Level 3) R'000**
Fair value measurement hierarchy as at 31 December 2015:					
Available-for-sale financial asset					
Unlisted shares	31 December 2015	25 264	–	–	25 264[1]
Liability measured at fair value through profit or loss (FVTPL)					
Derivative financial liabilities	31 December 2015	106 200		106 200	–
Fair value measurement hierarchy as at 31 December 2014:					
Available-for-sale financial asset					
Unlisted shares	31 December 2014	25 264	–	–	25 264[1]
Financial assets measured at FVTPL					
Derivative financial assets	31 December 2014	38 478	–	38 478	–
Fair value measurement hierarchy as at 31 December 2013:					
Available-for-sale financial asset					
Unlisted shares	31 December 2013	44 800	–	–	44 800[1]

There were no transfers from Level 2 to 1 during 2015, 2014 and 2013.

1. *Discounted cash flow method using a discount rate of 15% over 10 years.*

	2015 R'000	2014 R'000	2013 R'000
26. **CASH GENERATED FROM OPERATIONS**			
Profit for the year	43 099	37 999	14 389
Adjustments for:			
Finance costs	50 606	49 675	54 543
Taxation expense	24 742	19 828	11 212
Investment income	(2 332)	(1 163)	(7 142)
Profit on disposal of property, plant, equipment and vehicles	(5 636)	–	(31)
Loss on disposal of property, plant, equipment and vehicles	–	513	–
Depreciation and amortisation on non-current assets	89 759	80 735	73 016
Share of profit of joint venture	(2 273)	(9 353)	(3 155)
Unrealised profits included in joint venture inventory expense	478	(692)	(98)
Government grant income	(2 743)	–	–
	195 700	177 542	142 734
Movements in working capital	3 828	(50 832)	12 722
Increase in trade receivables	(5 690)	(75 459)	(6 686)
(Decrease)/increase in trade payables	(9 172)	31 021	30 718
Decrease/(increase) in inventory	18 690	(6 394)	(11 310)
Cash generated from operations	199 528	126 710	155 456

27. FINANCIAL MANAGEMENT

Capital management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt (borrowings as detailed in note 16) cash and bank balances as detailed in note 14 and equity of the group (comprising issued capital, reserves and retained earnings as detailed in note 15).

The group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2015.

Risk management

The group's financial instruments consist mainly of deposits with banks, trade and other receivables, loans and borrowings, trade and other payables and financial derivatives. The main risks the group is exposed to through its financial instruments are liquidity risk, credit risk, interest rate risk, commodity price and foreign currency risk.

Risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The board oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group does this by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the group's exposure to liquidity and interest rate risk and the effective rates of interest at reporting date.

	Weighted average effective interest rate %	Within 3 months R'000	Within 1 year R'000	1 to 5 years R'000	Over 5 years R'000	Total R'000
2015						
Financial assets						
Available-for-sale investment	–	–	–	–	25 264	25 264
Loans to related parties	–	–	–	4 979	–	4 979
Trade and other receivables	–	239 431	–	–	–	239 431
Cash and bank balances	Bank deposit rates	76 418	–	–	–	76 418
		315 849	–	4 979	25 264	346 092
Financial liabilities						
Term loan borrowings – variable rates	8.14	–	67 991	343 944	–	411 935
Instalment sale agreement borrowings – fixed rates	8.25	–	991	1 629	–	2 620
Loans from related parties	–	–	–	60 233	–	60 233
Shareholders for dividend	Prime + 4.5	–	–	106 008	–	106 008
Trade and other payables	–	237 301	–	–	–	237 301
		237 301	68 982	511 814	–	818 097
2014						
Financial assets						
Available-for-sale investment	–	–	–	–	25 264	25 264
Loans to related parties	–	–	–	45	–	45
Trade and other receivables	–	195 264	–	–	–	195 264
Cash and bank balances	Bank deposit rates	91 270	–	–	–	91 270
		286 534	–	45	25 264	311 843
Financial liabilities						
Term loan borrowings – variable rates	7.64	–	50 997	362 371	–	413 368
Instalment sale agreement borrowings – fixed rates	8.25	–	444	779	–	1 223
Loans from related parties	–	–	–	63 372	–	63 372

	Weighted average effective interest rate %	Within 3 months R'000	Within 1 year R'000	1 to 5 years R'000	Over 5 years R'000	Total R'000
Shareholders for dividend	Prime + 4.5	–	–	80 462	–	80 462
Trade and other payables	–	246 473	–	–	–	246 473
		246 473	51 441	506 984	–	804 898
2013						
Financial assets						
Available-for-sale investment	–	–	–	–	44 800	44 800
Trade and other receivables	–	158 282	–	–	–	158 282
Cash and bank balances	Bank deposit rates	148 376	–	–	–	148 376
		306 658	–	–	44 800	351 458
Financial liabilities						
Term loan borrowings – fixed rates	12.91	–	73 972	–	–	73 972
Term loan borrowings – variable rates	16.63	–	143 170	–	–	143 170
Loans from related parties	–	–	–	60 680	–	60 680
Shareholders for dividend	Prime + 4.5	–	–	111 022	–	111 022
Trade and other payables	–	194 282	–	–	–	194 282
		194 282	217 142	171 702	–	583 126

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Because of this, the group has no significant concentration of credit risk with respect to any single counter-party or group of counter-parties other than those receivables specifically provided for.

Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in a foreign currency).

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	2015 R'000	2014 R'000	2013 R'000
Assets			
USD denominated	4 350	4 494	2 783
GBP denominated	–	1 362	–
EUR denominated	80 671	62 464	34 279
AUD denominated	36 032	29 689	50 096
JPY denominated	–	351	–
Liabilities			
USD denominated	2 899	1 901	3 336
GBP denominated	980	922	–
EUR denominated	840	1 052	320
SEK denominated	–	395	–

Foreign currency sensitivity analysis

The following table details the group's sensitivity to a 10% increase or 10% decrease in the Rand against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

This analysis has been conducted for the exposure on receivables and payables outstanding at reporting date. A positive number indicates an increase in profit where the Rand strengthens by 10% against the relevant foreign currency. For a 10% weakening of the Rand against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

USD denominated			
Profit or loss	145	259	55
Equity	104	187	40
GBP denominated			
Profit or loss	97	44	–
Equity	71	32	–
EUR denominated			
Profit or loss	7 983	6 141	3 395
Equity	5 748	4 422	2 445
AUD denominated			
Profit or loss	3 603	2 968	5 009
Equity	2 594	2 138	3 607
JPY denominated			
Profit or loss	–	35	–
Equity	–	25	–
SEK denominated			
Profit or loss	–	39	–
Equity	–	28	–

Interest rate risk management

The group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The group's exposure to interest rate risk on financial liabilities are detailed in the liquidity risk management section of this note. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The group has performed sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a 50 base point change in these risks.

	2015 R'000	2014 R'000	2013 R'000
Increase in profits	1 807	1 725	716
Decrease in profits	(1 807)	(1 725)	(716)
Increase in equity	1 301	1 242	516
Decrease in equity	(1 301)	(1 242)	(516)

Hedging

The group enters into forward exchange contracts to buy and sell specified amounts of various foreign currencies in the future at a predetermined exchange rate. The contracts are entered into to manage the group's exposure to fluctuations in foreign currency exchange rates on specific transactions. The contracts are matched by anticipated future cash flows in foreign currencies, primarily from sales. It is the group's policy to enter into forward exchange contracts for all net foreign currency trade or capital items.

No forward exchange contracts are entered into where a relatively short settlement period is involved and risk is considered to be minimal.

The following table details the forward foreign currency contracts outstanding at the reporting date:

	R'000	Average contract exchange rate	Contract expiry date
2015			
In respect of future receivables			
USD	5 987	15.2099	29 January 2016 – 8 February 2016
EUR	575 868	15.1854	8 January 2016 – 28 February 2017
AUD	102 820	10.3137	4 January 2016 – 31 March 2017
NZD	924	8.7794	2 February 2016 – 11 April 2016
EUR – zero caller option contracts	29 971	16.9207	27 January 2016 – 25 February 2016
In respect of future payables			
USD	5 207	14.8852	4 January 2016 – 2 March 2016
EUR	3 931	15.6992	4 January 2016 – 15 March 2016
SEK	698	1.6971	25 February 2016 – 29 March 2016
DKK	473	2.0773	25 January 2016
2014			
In respect of future receivables			
USD	4 548	11.6601	16 January 2015 – 5 February 2015
GBP	1 360	17.9926	7 January 2015
EUR	364 817	15.9365	5 January 2015 – 29 February 2016
AUD	116 044	10.0691	2 January 2015 – 31 March 2016
In respect of future payables			
USD	4 439	11.6005	9 January 2015 – 23 February 2015
EUR	9 852	14.7297	9 January 2015 – 7 August 2015
SEK	652	1.5106	20 January 2015 – 27 March 2015

	R'000	Average contract exchange rate	Contract expiry date
2013			
In respect of future receivables			
USD	3 926	10.3311	10 January 2014 – 5 February 2014
EUR	358 110	14.0236	3 January 2014 – 27 February 2015
AUD	162 799	9.5439	2 January 2014 – 31 March 2015
In respect of future payables			
USD	7 661	10.3812	2 January 2014 – 7 February 2014
GBP	3 154	16.6033	3 January 2014 – 24 February 2014
EUR	1 114	13.7356	3 January 2014 – 31 January 2014
SEK	1 306	1.5699	3 January 2014 – 14 February 2014
DKK	807	2	31 January 2014 – 15 April 2014
CAD	30	10	31 January 2014

28. COMMITMENTS AND CONTINGENCIES

The group has the following capital, lease and other commitments at the end of the reporting period.

Operating lease commitments

Group as lessee

The group has entered into operating leases on land and manufacturing/office buildings, with lease terms between three and 10 years. The group has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

	2015 R'000	2014 R'000	2013 R'000
Within one year	4 380	3 861	3 369
After one year but not more than five years	19 742	18 652	16 621
More than five years	21 973	27 008	32 074
Total operating lease commitments	46 095	49 521	52 064

Capital Commitments

The group has the following commitments for the acquisition of property, plant, equipment and vehicles at the end of the reporting period:

Contracted for but not provided	3 705	1 674	11 470
Authorised by the directors but not contracted	18 716	3 651	7 470
Total capital commitments	22 421	5 325	18 940

Contingent liabilities

The group has no contingent liabilities at the end of the reporting period.

29. **RELATED PARTY TRANSACTIONS**

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and other related parties are disclosed as follows:

A. Trading transactions

	Sales to related parties R'000	Purchases from related parties R'000	Amounts owed by related parties* R'000	Amounts owed to related parties* R'000
2015				
Vuna Fishing Company Proprietary Limited (joint venture)	40 213	117 903	10 800	15 809
2014				
Vuna Fishing Company Proprietary Limited (joint venture)	4 289	118 976	6 905	20 255
2013				
Vuna Fishing Company Proprietary Limited (joint venture)	2 589	65 203	2 030	7 830

** The amounts are classified as trade receivables and trade payables, respectively (see notes 13 and 20)*

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2015, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: nil; 2013: nil).

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

B. Loans to and from related parties

	Amounts owed by related parties R'000	Amounts owed to related parties R'000	Shareholder loans R'000
2015			
Brimco Proprietary Limited	–	–	37 581
Kagiso Strategic Investments III Proprietary Limited	–	–	17 083
Sea Harvest Management Investment Trust	2 291	4 876	693
Sea Harvest Management Investment Trust No 2	188	–	–
Vuna Fishing Company Proprietary Limited	2 500	–	–
	4 979	4 876	55 357
2014			
Brimco Proprietary Limited	–	–	37 581
Kagiso Strategic Investments III Proprietary Limited	–	–	17 083
Sea Harvest Management Investment Trust	43	7 322	1 386
Sea Harvest Management Investment Trust No 2	2	–	–
	45	7 322	56 050
2013			
Brimco Proprietary Limited	–	–	37 581
Kagiso Strategic Investments III Proprietary Limited	–	–	17 083
Sea Harvest Management Investment Trust	–	–	5 900
Sea Harvest Management Investment Trust No 2	–	–	116
	–	–	60 680

Loans to the joint venture are interest free and generally on terms of 30 to 90 days.

Loans received from or made to other related parties do not bear interest. These loans are unsecured and are repayable only if and to the extent that such payment is permissible under third party funding agreements and the directors resolve that they shall be repaid.

	2015 R'000	2014 R'000	2013 R'000
C. Compensation of key management personnel			
Short-term benefits	13 266	13 538	8 410
Post-employment benefits	1 521	1 202	943
	14 787	14 740	9 353

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

D. Other related party transactions

In addition to the above, the following related party transactions took place during the year:

a. Sea Harvest Corporation Proprietary Limited performed certain administrative services for the Vuna Fishing Company Proprietary Limited, for which a management fee was charged and paid.

Management fees received	1 452	1 441	1 320

b. Brimstone Investment Corporation Limited and Kagiso Strategic Investments III Proprietary Limited performed certain administrative services for Sea Harvest Corporation Proprietary Limited, for which a management fee was charged and paid

Management fees paid to Brimstone	1 400	1 333	1 255
Managements fees paid to Kagiso	636	606	570

c. Sea Harvest Corporation Proprietary Limited recognised and received royalties from Desert Diamond Fishing Proprietary Limited

Royalties received	111	39	2 106

d. Vuna Fishing Company Proprietary Limited declared and paid a dividend to Sea Harvest

Dividend received	7 970	11 955	1 993

30. EVENTS SUBSEQUENT TO REPORTING DATE

Mareterram Limited

During 2016, Sea Harvest made an offer for a controlling interest in Mareterram Limited, in which it already held a 19.9% stake. The offer closed successfully on 22 July 2016, with Sea Harvest increasing its stake in Mareterram Limited to 56% at a cost of R203 million.

Vuna Fishing Company Proprietary Limited

With effect from 1 January 2017, the commercial relationship with Vuna was restructured and Sea Harvest's shareholding in Vuna was disposed of to a company in which Brimstone Investment Corporation Limited and the Sea Harvest staff and management trusts hold all the shares and which company will not be a part of the Sea Harvest group for purposes of the Proposed Listing. From 1 January 2017, Vuna has entered into an exclusive supply and distribution agreement with Sea Harvest whereby all fish processed by Vuna will be sold to Sea Harvest on a cost plus basis

31. GROUP INFORMATION

The holding company

The ultimate holding company of Sea Harvest is Brimstone Investment Corporation Limited, which is based in South Africa and listed on the JSE Limited.

The consolidated group

The consolidated historical financial information of the group at the end of the reporting period include the results of:

Name	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the group 2015	2014	2013
Wholly-owned subsidiaries					
Sea Harvest Corporation Proprietary Limited	Fishing and fish processing	Republic of South Africa	100%	100%	100%
Cape Harvest Foods Proprietary Limited[1]	Fishing and fish processing	Republic of South Africa	100%	100%	100%
Sea Harvest International Proprietary Limited	Fishing and fish processing	Republic of South Africa	100%	100%	100%
Sea Harvest Corporation Retail Shops Proprietary Limited	Fishing and fish processing	Republic of South Africa	100%	100%	100%
Joint venture					
Vuna Fishing Company Proprietary Limited	Fishing and fish processing	Republic of South Africa	49.813%	49.813%	49.813%
Associate					
Mareterram Limited[2]	Fishing and fish processing	Australia	19.9%	–	–
Investment held as available-for-sale					
Desert Diamond Fishing Proprietary Limited	Fishing and fish processing	Republic of South Africa	10%	10%	10%

1 Cape Harvest Foods Proprietary Limited is a dormant company.

2 Mareterram Limited has a June year end.

32. DIRECTORS' REMUNERATION

	Short-term benefits		Post-employment benefits		
	Salary, fees and commission R'000	Other R'000	Pension/ provident R'000	Termination benefits R'000	Total R'000
2015					
Non-executive directors					
F J Robertson[1]	150	–	–	–	150
MC Norris	100	–	–	–	100
LJ Penzhorn	100	–	–	–	100
TS Setshedi	50	–	–	–	50
Executive directors					
TC Brown	1 785	121	196	–	2 102
JP de Freitas	1 598	896	309	–	2 803
K Geldenhuys	1 514	896	293	–	2 703
M Harry	948	631	184	–	1 763
F Ratheb	2 786	1 691	539	–	5 016
	9 031	4 235	1 521	–	14 787

	Short-term benefits		Post-employment benefits		
	Salary, fees and commission R'000	**Other R'000**	**Pension/ provident R'000**	**Termination benefits R'000**	**Total R'000**
2014					
Non-executive directors					
FJ Robertson[1]	150	–	–	–	150
MC Norris	100	–	–	–	100
LJ Penzhorn	100	–	–	–	100
TS Setshedi	50	–	–	–	50
Executive directors					
TC Brown	536	40	59	–	635
JP de Freitas	1 242	50	240	–	1 532
K Geldenhuys	1 372	205	266	–	1 843
F Ratheb	2 723	403	450	–	3 576
IR Esau	1 339	321	154	6	1 820
CJ Hess	297	214	33	89	633
GF Bezuidenhout	–	–	–	4 301	4 301
	7 909	1 233	1 202	4 396	14 740
2013					
Non-executive directors					
FJ Robertson[1]	150	–	–	–	150
MC Norris	100	–	–	–	100
LJ Penzhorn	118	–	–	–	118
TS Setshedi	32	–	–	–	32
MI Mavundla	25	–	–	–	25
S Bhika	16	–	–	–	16
L Bakoro	50	–	–	–	50
Executive directors					
F Ratheb	1 604	191	310	–	2 105
IR Esau	1 554	162	176	–	1 892
CJ Hess	1 671	152	184	–	2 007
GF Bezuidenhout	2 373	212	273	–	2 858
	7 693	717	943	–	9 353

1. FJ Robertson earned remuneration from other companies in the Brimstone Group as reflected in the Brimstone annual financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF SEA HARVEST FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND 2015

Set out below are the reviewed consolidated interim results for the six months ended 30 June 2016 and 30 June 2015.

Commentary

30 June 2016

Sea Harvest delivered strong results for a third consecutive year. Total catches during the first six months were 5% better than the prior year, benefiting from improved catch rates and vessel availability. Sales volumes grew by an average of 2%, with strong growth of 15% in exports, where continued firm international demand for hake was supported on the supply side by the introduction of the Atlantic Hope into the freezer fleet. Local sales volumes were under pressure due to a continued stagnant economic environment and strong competitor activity. Revenue was 21% higher as a result of price increases and a weaker Rand. Operating profit decreased by 13% to R77 million for the period, this after taking into account R51 million of hedge losses for the period arising from the sudden weakening of the Rand in the first half of 2016. During the period, Sea Harvest made an offer for a controlling interest in Australian ASX listed agri-business Mareterram, in which it already held a 19.9% stake. The offer closed successfully on 22 July 2016, with Sea Harvest increasing its stake in Mareterram to 56% at a cost of R203 million.

30 June 2015

Catches during the first six months of the year were 8% lower than the prior period as a result of challenging fishing conditions which was partly offset by improved vessel utilisation across the fleet. Sales volumes grew by 6% on average, with particularly strong growth in export markets, where firm international demand for hake was supported on the supply side by the successful integration into the fleet of a new freezer vessel, the Atlantic Peace. Local sales volumes were under pressure due to a stagnant economic environment, pricing action and competitive activity. Revenue was 2% higher than last year, with volume growth and strong price increases being partly offset by weaker foreign exchange rates. Operating profit before interest increased to R88.6 million benefiting from price increases, efficient cost control and the lower fuel price.

Condensed consolidated income statement

	Reviewed 6 months ended 30 June 2016 R'000	Reviewed 6 months ended 30 June 2015 R'000
Revenue	844 515	696 766
Sales and fee income	844 515	688 796
Dividends received	–	7 970
Operating expenses	(767 459)	(608 152)
Operating profit	77 056	88 614
Share of profits/(losses) of associate and joint venture	6 093	(5 717)
Profit before net finance costs	83 149	82 897
Income from investments	516	616
Finance costs	(30 020)	(25 037)
Net profit before taxation	53 645	58 476
Taxation	(16 700)	(19 076)
Profit for the period	36 945	39 400
Profit attributable to:		
Equity holders of the parent	36 945	39 400
	36 945	39 400
Earnings per share (cents)		
– Basic	3.8	4.0
– Diluted	3.8	4.0

Condensed consolidated statement of other comprehensive income

	Reviewed 6 months ended 30 June 2016 R'000	Reviewed 6 months ended 30 June 2015 R'000
Profit for the period	36 945	39 400
Other comprehensive income/(loss) net of taxation	47 041	(7 660)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges – profit/(loss) arising during the period	47 041	(7 660)
Total comprehensive income for the period	83 986	31 740
Total comprehensive income attributable to:		
Equity holders of the parent	83 986	31 740
	83 986	31 740
Headline earnings per share (cents)		
– Basic	3.6	4.0
– Diluted	3.6	4.0
Headline earnings calculation		
Net profit attributable to equity holders of the parent	36 945	39 400
Profit on disposal of property, plant, equipment and vehicles	(2 874)	(149)
Total tax effects of adjustments	805	42
Headline earnings	34 876	39 293
Weighted average number of shares on which earnings and headline earnings per share is based (000)	974 402	974 402
Weighted average number of shares on which diluted earnings and diluted headline earnings per share is based (000)	974 402	974 402

Condensed consolidated statement of financial position

	Reviewed As at 30 June 2016 R'000	Reviewed As at 30 June 2015 R'000
ASSETS		
Non-current assets	627 722	492 601
Property, plant, equipment and vehicles	449 522	358 491
Intangible assets	84 441	100 528
Investments in associate company and joint venture	68 495	8 318
Investment	25 264	25 264
Current assets	580 477	547 119
Inventories	174 069	170 239
Trade and other receivables	277 031	200 069
Other financial assets	–	38 340
Cash and cash equivalents	129 377	138 471
Total assets	1 208 199	1 039 720
EQUITY AND LIABILITIES		
Capital and reserves	208 927	216 411
Stated capital	5 180	5 180
Preference share capital and premium	168 409	168 409
Revaluation reserve	17 309	17 309
Cash flow hedging reserve	(25 539)	17 876
Retained earnings	48 717	7 637
Attributable to equity holders of the parent	214 076	216 411
Non-current liabilities	460 328	465 634
Long-term interest-bearing borrowings	340 313	345 407
Long-term provisions	25 427	23 103
Deferred taxation	94 588	97 124
Current liabilities	533 795	357 675
Short-term interest-bearing borrowings	41 931	26 882
Trade payables	222 407	158 674
Other payables	59 421	40 151
Other financial liabilities	53 862	–
Shareholders for dividend	123 526	97 508
Short-term provisions	15 459	12 996
Taxation	17 189	21 464
Total equity and liabilities	1 208 199	1 039 720
NAV per share (cents)	22.0	22.2
TNAV per share (cents)	13.3	11.9
Shares in issue at end of period (000s)	974 402	974 402

Condensed consolidated statement of cash flows

	Reviewed 6 months ended 30 June 2016 R'000	Reviewed 6 months ended 30 June 2015 R'000
Operating activities		
Net attributable profit	36 945	39 400
Adjustments for non-cash items	94 197	92 916
Operating cash flows before movements in working capital	131 142	132 316
(Increase)/decrease in inventories	(5 162)	17 357
Increase in trade and other receivables	(19 623)	(4 762)
Increase/(decrease) in trade and other payables	26 073	(57 725)
Cash generated from operations	132 430	87 186
Interest received	516	616
Income taxes refunded	–	10 722
Finance costs	(17 380)	(15 174)
Net cash generated from operating activities	115 566	83 350
Investing activities		
Proceeds on disposal of property, plant, equipment and vehicles	3 530	160
Acquisition of property, plant, equipment and vehicles	(55 154)	(28 363)
Net cash used in investing activities	(51 624)	(28 203)
Financing activities		
Dividends paid	–	(1 512)
Repayment of borrowings	(10 983)	(7 171)
Loans raised	–	737
Net cash used in financing activities	(10 983)	(7 946)
Net increase in cash and cash equivalents	52 959	47 201
Cash and cash equivalents at beginning of period	76 418	91 270
Cash and cash equivalents at end of period		
Bank balances and cash	129 377	138 471

Condensed consolidated statement of changes in equity

R'000	Ordinary share capital/ Stated capital	Preference share capital and premium	Revaluation reserve	Cash flow hedging reserve	Retained earnings	Total
Balance at 1 January 2015 – audited	5 180	168 409	17 309	25 536	(30 251)	186 183
Attributable profit for the six months ended 30 June 2015	–	–	–	–	39 400	39 400
Other comprehensive loss	–	–	–	(7 660)	–	(7 660)
Total comprehensive (loss)/income	–	–	–	(7 660)	39 400	31 740
Dividend paid	–	–	–	–	(1 512)	(1 512)
Balance at 30 June 2015 – reviewed	5 180	168 409	17 309	17 876	7 637	216 411
Balance at 1 January 2016 – audited	5 180	168 409	17 309	(72 580)	11 772	130 090
Attributable profit for the six months ended 30 June 2016	–	–	–	–	36 945	36 945
Other comprehensive income	–	–	–	47 041	–	47 041
Total comprehensive income	–	–	–	47 041	36 945	83 986
Balance at 30 June 2016 – reviewed	**5 180**	**168 409**	**17 309**	**(25 539)**	**48 717**	**214 076**

Notes:

Basis of preparation

The condensed consolidated interim financial information is prepared in accordance with International Financial Reporting Standard, IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Announcements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listings Requirements. The report has been prepared using accounting policies that comply with International Financial Reporting Standards which are consistent with those applied in the financial statements for the year ended 31 December 2015. The condensed consolidated interim financial information was prepared under the supervision of the Chief Financial Officer, JP de Freitas CA(SA).

The results have been reviewed by the group's auditors, Deloitte & Touche.

Segmental information

There are no reportable segments for the periods under review.

Fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities.

Fair value of the company's financial assets and financial liabilities are measured at fair value basis on a recurring basis. Some of the company's financial assets and financial liabilities are measured at fair value at the end of each financial reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation technique(s) and inputs used).

The directors consider that the carrying amounts of financial assets and financial liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) recognised in the condensed consolidated interim financial information approximate their fair values.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
30 June 2016				
Available-for-sale financial asset				
Unlisted shares	–	–	25 264[1]	25 264
Financial liabilities at FVTPL*				
Derivative financial liabilities	–	53 862	–	53 862
30 June 2015				
Financial assets at FVTPL*				
Derivative financial assets	–	38 340	–	38 340
Available-for-sale financial asset				
Unlisted shares	–	–	25 264[1]	25 264

The table provided analyses financial instruments that are measured subsequent to initial recognition at fair value, grouped in Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Transfer from Level 2 to Level 1 – there were no transfers from Level 2 to Level 1 during the period.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobserved inputs).

Note:

1. *Discounted cash flow method using a discount rate of 15% over 10 years.*

** FVTPL = fair value through profit or loss.*

Subsequent events

Mareterram

During 2016, Sea Harvest made an offer for a controlling interest in Mareterram Limited, in which it already held a 19.9% stake. The offer closed successfully on 22 July 2016, with Sea Harvest increasing its stake in Mareterram Limited to 56% at a cost of R203 million.

Vuna Fishing Company Proprietary Limited

With effect from 1 January 2017, the commercial relationship with Vuna was restructured and Sea Harvest's shareholding in Vuna was disposed of to a company in which Brimstone Investment Corporation Limited and the Sea Harvest staff and management trusts hold all the shares and which company will not be a part of the Sea Harvest group for purposes of the Proposed Listing. From 1 January 2017, Vuna has entered into an exclusive supply and distribution agreement with Sea Harvest whereby all fish processed by Vuna will be sold to Sea Harvest on a cost plus basis.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SEA HARVEST

The Directors
Brimstone Investment Corporation Limited
PO Box 44580
Newlands
7735

Dear Sirs/Mesdames

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

Introduction

We have audited the consolidated historical financial information of Sea Harvest Holdings Proprietary Limited (the Company) in respect of the years ended 31 December 2015, 31 December 2014 and 31 December 2013 set out in Annexure 1 and we have reviewed the condensed consolidated interim financial information in respect of the six months ended 30 June 2016 and 30 June 2015 set out in Annexure 2.

The consolidated historical financial information in respect of each annual period comprises the consolidated statement of financial position as at the year-end date, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The condensed consolidated interim financial information comprises the condensed consolidated statement of financial position as at the interim date and the condensed consolidated income statement and the condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and selected explanatory notes for the six months then ended.

Directors' responsibility for the consolidated historical and condensed consolidated interim financial information

The Company's directors are responsible for the preparation and fair presentation of the consolidated historical financial information and condensed consolidated interim financial information in accordance with the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated historical financial information and condensed consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

The JSE Listings Requirements require the historical financial information in respect of each annual period to be prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The JSE Listings Requirements require the interim financial information to be prepared in accordance with International Financial Reporting Standard (IAS 34) *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Auditors' Responsibility

Our responsibility is to express an opinion or conclusion on the consolidated historical financial information and condensed consolidated interim financial information based on our audit or review.

We conducted our audit of the consolidated historical financial information in accordance with International Standards on Auditing (ISAs) and the review of the condensed consolidated interim financial information was conducted in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Both standards require that we comply with ethical requirements.

We plan and perform the audit to obtain reasonable assurance about whether the consolidated historical financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated historical financial information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

Company's preparation of the consolidated historical 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 Company'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 consolidated historical financial information.

ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. A review of the condensed consolidated interim financial statements in accordance with this standard consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures, and evaluating the evidence obtained. A review is substantially less in scope than an audit conducted in accordance with the ISAs and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial information.

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

Opinion/Conclusion

In our opinion, the consolidated historical financial information in respect of the years ended 31 December 2015, 31 December 2014 and 31 December 2013 is prepared, in all material respects, in accordance with the requirements of IFRS and the JSE Listings Requirements, as set out in the notes to the consolidated historical financial information.

Based on our review of the condensed consolidated interim financial information in respect of the six months ended 30 June 2016 and 30 June 2015 nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information of Sea Harvest Holdings Proprietary Limited for the six months ended 30 June 2016 and 30 June 2015 are not prepared, in all material respects, in accordance with the requirements of the JSE Listings Requirements, as set out in the notes to the interim financial information.

Other information in the Circular

As required by paragraph 8.53 of the JSE Listings Requirements, we have read the circular in which the consolidated historical financial information and condensed consolidated interim financial information is contained, for the purpose of identifying whether there are material inconsistencies between the circular and the consolidated historical financial information and condensed consolidated interim financial information which has been subject to audit or review. The Circular is the responsibility of the directors. Based on reading the circular we have not identified material inconsistencies between this report and the consolidated historical financial information and condensed consolidated interim financial information which has been subject to audit or review. However, we have not audited the circular and accordingly do not express an opinion on it.

Consent

We consent to the inclusion of this report, which will form part of the circular to the shareholders of Sea Harvest Holdings Proprietary Limited, to be issued on or about *8 February 2017*, in the form and context in which it appears.

Deloitte & Touche
Registered Auditor

Per: **LP Cotten**
Partner
27 January 2017

1st Floor, The Square
Cape Quarter
27 Somerset Road
Greenpoint, 8005
Western Cape

PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED LISTING ON BRIMSTONE

The *pro forma* income statement for the six months ended 30 June 2016 and the *pro forma* balance sheet as at 30 June 2016 are presented below to provide information on how the Proposed Listing might have impacted the results and financial position of Brimstone. The Financial Effects are presented in accordance with the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants.

The Financial Effects and *pro forma* information have been prepared for illustrative purposes only to provide information on how the Proposed Listing might have impacted the financial results and position of Brimstone assuming the Proposed Listing had been implemented at 30 June 2016 for balance sheet purposes and with effect from 1 January 2016 for income statement purposes. Due of their nature, the Financial Effects may not give a fair presentation of Brimstone's financial position, changes in equity or results of operations or cash flows after the Proposed Listing.

The Financial Effects and *pro forma* information have been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the Group's accounting policies. The Financial Effects have been prepared applying accounting policies on the same basis as would normally have been adopted in the preparation of Brimstone's financial statements as at 30 June 2016.

The compilation, contents and preparation of the Financial Effects are the responsibility of the Directors.

The Financial Effects and *pro forma* information as set out below should be read in conjunction with the Independent Reporting Accountants' assurance report set out in Annexure 5 to this Circular.

***Pro forma* consolidated income statement for the six months ended 30 June 2016**

R'000	Before the Proposed Listing[(1)]	Proposed Listing	After the Proposed Listing[(2)]	Percentage change (%)
Revenue	1 181 134	–	1 181 134	–
Sales and fee income	1 086 569	–	1 086 569	–
Dividends received	94 565	–	94 565	–
Operating expenses	(1 057 949)	(1 936)	(1 059 885)	0.2
Operating profit	123 185	(1 936)	121 249	(1.6)
Fair value gains	103 188	–	103 188	–
Share of profits of associates and joint ventures	39 615	–	39 615	–
Profit before finance costs	265 988	(1 936)	264 052	(0.7)
Income from investments	13 092	–	13 092	–
Finance costs	(116 488)	41 316	(75 172)	(35.5)
Net profit before taxation	162 592	39 380	201 972	24.2
Taxation	(114 336)	(4 479)	(118 815)	3.9
Profit for the period	**48 256**	**34 901**	**83 157**	**72.3**
Profit attributable to:				
Equity holders of the parent	29 605	23 870	53 475	80.6
Non-controlling interests	18 651	11 031	29 682	59.1
	48 256	**34 901**	**83 157**	**72.3**
Earnings per share (cents)				
– Basic	12.2	9.8	22.0	80.3
– Diluted	10.4	8.4	18.8	80.8

***Pro forma* condensed consolidated statement of other comprehensive income**

R'000	Before the Proposed Listing[1]	Proposed Listing	After the Proposed Listing[2]	Percentage change (%)
Profit for the period	48 256	34 901	83 157	72.3
Other comprehensive income, net of tax	91 232	–	91 232	–
Items that may be reclassified subsequently to profit and loss				
Cash flow hedges	–	–	–	–
Profit arising during the period	47 041	–	47 041	–
Share of non-distributable reserve of associates	44 191	–	44 191	–
Total comprehensive income for the period	**139 488**	**34 901**	**174 389**	**25.0**
Total comprehensive income attributable to:				
Equity holders of the parent	102 318	23 870	126 188	23.3
Non-controlling interests	37 170	11 031	48 201	29.7
	139 488	**34 901**	**174 389**	**25.0**
Headline earnings				
Headline earnings per share				
– Basic	11.5	9.8	21.3	85.2
– Diluted	9.8	8.4	18.2	85.7
Headline earnings calculation				
Net profit attributable to equity holders of the parent	29 605	23 870	53 475	80.6
Profit on disposal of property, plant, equipment and vehicles	(1 670)	–	(1 670)	–
Adjustments relating to results of associates	(1 217)	–	(1 217)	–
Total tax effects of adjustments	1 140	–	1 140	–
Headline earnings	27 858	23 870	51 728	85.7
Weighted average number of shares on which earnings and headline earnings per share is based ('000)	242 527	–	242 527	–
Weighted average number of shares on which diluted earnings and diluted headline earnings per share is based ('000)	283 875	–	283 875	–

Notes:

1. The "Before the Proposed Listing" information has been extracted without adjustment from Brimstone's unaudited interim results for the six months ended 30 June 2016.
2. The basic and diluted EPS and HEPS "After the Proposed Listing" are based on the assumption that the Proposed Listing was effected on 1 January 2016 for income statement purposes.
3. The "After the Proposed Listing" column reflects the effect on the results and financial position of Brimstone following the Proposed Listing, the capital raised of R1.5 billion and the deployment of capital raised.
4. Finance cost savings to the Brimstone Group amounts to R41.316 million following the repayment of interest-bearing debt and preference share funding amounting to R877.828 million, which is of a continuing nature.
5. Once-off expenses relating to the Proposed Listing amount to R1.936 million for the Brimstone Group.
6. Taxation has been calculated where applicable.
7. Non-controlling interests increased by R11.031 million as a result of Brimstone's shareholding in Sea Harvest reducing from 85% to 52% (R5.502 million) and non-controlling shareholders' share of Sea Harvest's saving in finance costs amounting to R5.529 million, which saving is of a continuing nature.

Assumptions:

1. The Proposed Listing takes place.
2. A capital raising in the amount of up to R1.5 billion is undertaken by Sea Harvest simultaneously with the Proposed Listing.

Pro forma **balance sheet as at 30 June 2016**

R'000	Before the Proposed Listing[(1)]	Proposed Listing	After the Proposed Listing[(2)]	Percentage change (%)
ASSETS				
Non-current assets	5 411 601	–	5 411 601	–
Property, plant, equipment and vehicles	508 684	–	508 684	–
Goodwill and intangible assets	97 286	–	97 286	–
Investment in associate companies and joint ventures	1 220 921	–	1 220 921	–
Investments	3 530 910	–	3 530 910	–
Deferred taxation	17 871	–	17 871	–
Insurance assets	35 729	–	35 729	–
Other financial assets	200	–	200	–
Current assets	**1 903 935**	**401 002**	**2 304 937**	**21.1**
Inventories	263 372	–	263 372	–
Trade and other receivables	522 829	–	522 829	–
Insurance assets	416 955	–	416 955	–
Other financial assets	6 338	–	6 338	–
Taxation	45	–	45	–
Investments	85 667	–	85 667	–
Cash and cash equivalents	608 729	401 002	1 009 731	65.9
TOTAL ASSETS	**7 315 536**	**401 002**	**7 716 538**	**5.5**
EQUITY AND LIABILITIES				
Capital and reserves	**2 386 123**	**1 276 894**	**3 663 017**	**53.5**
Share capital	41	–	41	–
Capital reserves	435 704	(23 117)	412 587	(5.3)
Revaluation reserves	14 143	(5 712)	8 431	(40.4)
Cash flow hedging reserve	(13 892)	8 428	(5 464)	(60.7)
Changes in ownership	(170 033)	686 400	516 367	(403.7)
Retained earnings	2 087 144	(19 364)	2 067 780	(0.9)
Attributable to equity holders of the parent	2 353 107	646 635	2 999 742	27.5
Non-controlling interests	33 016	630 259	663 275	1 909.0
Non-current liabilities	**3 431 590**	**(875 892)**	**2 555 698**	**(25.5)**
Long-term interest-bearing borrowings	2 819 245	(875 892)	1 943 353	(31.1)
Long-term provisions	25 427	–	25 427	–
Insurance liabilities	40 076	–	40 076	–
Deferred taxation	546 842	–	546 842	–
Current liabilities	**1 497 823**	**–**	**1 497 823**	**–**
Short-term interest-bearing borrowings	195 698	–	195 698	–
Bank overdrafts	65 017	–	65 017	–
Trade payables	403 258	–	403 258	–
Other payables	155 582	–	155 582	–
Insurance liabilities	627 867	–	627 867	–
Short-term provisions	22 321	–	22 321	–
Taxation	28 080	–	28 080	–
TOTAL EQUITY AND LIABILITIES	**7 315 536**	**401 002**	**7 716 538**	**5.5**

R'000	Before the Proposed Listing(1)	Proposed Listing	After the Proposed Listing(2)	Percentage change (%)
NAV (cents)	986.0	271.0	1 257.0	27.5
TNAV (cents)	945.2	271.0	1 216.2	28.7
Shares in issue at end of year (net of Treasury Shares) ('000)	238 651	–	238 651	–

Notes:

1. The "Before the Proposed Listing" information has been extracted without adjustment from Brimstone's unaudited interim results for the six months ended 30 June 2016.
2. The NAV and TNAV "After the Proposed Listing" are based on the assumption that the Proposed Listing was effected on 30 June 2016 for balance sheet purposes.
3. The "After the Proposed Listing" column reflect the effect on the results and financial position of Brimstone following the Proposed Listing, the capital raised of R1.5 billion and the deployment of capital raised.
4. Once-off expenses relating to the Proposed Listing amount to R43.106 million for the Brimstone Group, of which R1.936 million has been expensed and R41.17 million charged to equity.
5. Net cash accruing to the Brimstone Group after the Proposed Listing, repayment of interest-bearing debt and preference share funding and payment of expenses amounts to R401.002 million.
6. Taxation has been calculated where applicable.
7. Changes in ownership increased by R686.4 million due to a net gain on the change in Brimstone's shareholding in Sea Harvest from 85% to 52%.
8. Capital reserves decreased by R23.117 million as a result of Sea Harvest expenses of R41.17 million (less non-controlling interests' share of expenses of R19.762 million) being charged to capital reserves. R1.709 million was also charged to capital reserves as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52%.
9. Revaluation reserves decreased by R5.712 million as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52%.
10. Cash flow hedging reserve decreased by R8.428 million as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52%.
11. Retained earnings decreased by R19.364 million as a result of Brimstone's shareholding in Sea Harvest decreasing from 85% to 52% and once-off transaction costs of R1.936 million incurred by Brimstone.
12. Non-controlling interests increased by R630.259 million being the non-controlling interests' share of the capital raised (R633.6 million) and an increase of R16.421 million in the non-controlling interests' share of Sea Harvest's reserves (held prior to the capital raised) as a result of Brimstone's shareholding decreasing from 85% to 52% and reduced by the non-controlling shareholders' share of transaction costs amounting to R19.762 million.
13. Long-term borrowings reduced by R875.892 million as a result of Sea Harvest utilising R302.610 million of the capital raised to repay long-term interest-bearing debt and Brimstone utilising R572.868 million of the proceeds of the repayment of the Sea Harvest Preference Shares received from Sea Harvest to repay long-term interest-bearing debt.
14. Cash and cash equivalents increased by R401.002 million which is the net cash retained by the Group after repayment of debt and expenses.
15. There are no other post balance sheet event which require adjustment to the *pro forma* Financial Effects.

Assumptions:

1. The proposed Listing takes place.
2. A capital raising in the amount of up to R1.5 billion is undertaken by Sea Harvest simultaneously with the Proposed Listing.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS

The Directors
Brimstone Investment Corporation Limited
PO Box 44580
Newlands
7735

Dear Sirs/Mesdames

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Brimstone Investment Corporation Limited by the directors. The *pro forma* financial information, as set out in paragraph 6.2 and Annexure 4 of the circular ("the circular"), to be dated on or about 8 February 2017, consists of the *Pro Forma* Income Statement, *Pro Forma* Statement of Financial Position 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 action or event described in paragraph 2 of the circular, on the company's financial position as at 30 June 2016, and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 January 2016, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 30 June 2016, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial results for the period ended 30 June 2016, which was not audited nor reviewed.

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 paragraph 6.2 and Annexure 4 of the circular.

Quality control

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.

Independence and other ethical requirements

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

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 which is applicable to an engagement of this nature*. 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 prospectus 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 at 30 June 2016 would have been as presented.

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

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6.2 and Annexure 4 of the circular.

Deloitte & Touche
Registered Auditor

Per: *LP Cotten*
Partner
27 January 2017

1st Floor, The Square
Cape Quarter
27 Somerset Road
Greenpoint, 8005
Western Cape

MATERIAL LOANS

R'000	2015
Loan from financial institution to the property owning subsidiary secured by a first mortgage bond over the property. The loan bears interest at a rate of 0.75% below prime and is repayable by 1 June 2017. At 31 December 2015 the monthly instalment payable was R271 251.	16 505
Loan from a financial institution to the property owning subsidiary secured by a second mortgage bond over the property. The loan bears interest at prime minus 0.75% and is repayable by 1 June 2017. At 31 December 2015 the monthly instalment payable was R63 734.	4 206
Interest-free shareholders' loans to subsidiary. The shareholders may vary such rate, provided it does not exceed the prime rate. These loans are unsecured and are repayable only if and to the extent that such payment is permissible under the third party funding agreements and the Directors resolve that they shall be repaid. Based on the terms of the third party funding agreement, these loans will not be repaid before 31 December 2016.	17 775
Loans from financial institutions to Sea Harvest	
• Loan repayable in full on expiry on 29 March 2019. The loan is subject to a variable interest rate of JIBAR plus 1.8% and is effective from 31 March 2014. The average quarterly repayment is R8.7 million. The loan is secured by a general notarial bond over all of Sea Harvest's moveable assets.	98 879
• The loan is repayable in full on expiry on 29 March 2019. Interest payments are made quarterly in arrears and the loan is subject to a variable interest rate of JIBAR plus 2.1%. The loan is secured by a general notarial bond over all of Sea Harvest's moveable assets.	197 000
• Loan repayable in full on expiry on 29 March 2019. Interest payments are made quarterly in arrears. Interest is charged at variable rate linked to a three-month JIBAR and matures on 29 March 2019. The loan is secured by a general notarial bond over all of Sea Harvest's moveable assets.	40 000
• Instalment sale agreements repayable in monthly instalments of R13 256, inclusive of interest, as from 1 August 2014. Until such time, interest payments are made monthly. Interest is charged at a rate of 8.25% and matures on 1 October 2018.	394
• Instalment sale agreements repayable in monthly instalments of R6 824, inclusive of interest, as from 1 October 2014. Until such time, interest payments are made monthly. Interest is charged at a rate of 8.25% and matures on 1 September 2019.	263
• Instalment sale agreements repayable in monthly instalments of R8 425, inclusive of interest, as from 1 August 2014. Until such time, interest payments are made monthly. Interest is charged at a rate of 8.25% and matures on 1 September 2019.	281
• Instalment sale agreements repayable in monthly instalments of R8 681, inclusive of interest, as from 1 October 2014. Until such time, interest payments are made monthly. Interest is charged at a rate of 8.25% and matures on 1 September 2019.	302
• Instalment sale agreements repayable in monthly instalments of R26 202, inclusive of interest, as from 1 October 2014. Until such time, interest payments are made monthly. Interest is charged at a rate of 8.25% and matures on 1 September 2019.	751
Class D floating rate cumulative redeemable non-participating preference shares of R200 million issued by a subsidiary, Newshelf 831 (RF) Proprietary Limited, on 15 December 2010 with a redemption date of 13 November 2017. The dividend rate is 79% of the prime bank lending rate. Preference share dividends are payable not later than four Business Days following the payment of interim and final dividends by Life Healthcare Group Holdings Limited. The Class D floating rate preference shares (together with the other preference shares issued by Newshelf 831 (RF) Proprietary Limited) are secured by a cession and pledge of 23 000 000 (2014 – 23 000 000) shares in Life Healthcare Group Holdings Limited held by Newshelf 831 (RF) Proprietary Limited.	161 221
Class E floating rate cumulative redeemable non-participating preference shares of R50 million issued by a subsidiary, Newshelf 831 (RF) Proprietary Limited, on 7 June 2011 with a redemption date of 13 November 2017. The dividend rate is 79% of the prime bank lending rate. Preference share dividends are payable not later than four Business Days following the payment of interim and final dividends by Life Healthcare Group Holdings Limited. The Class E floating rate preference shares (together with the other preference shares issued by Newshelf 831 (RF) Proprietary Limited) are secured by a cession and pledge of 23 000 000 (2014 – 23 000 000) shares in Life Healthcare Group Holdings Limited held by Newshelf 831 (RF) Proprietary Limited.	46 543

R'000	2015
Class F floating rate cumulative redeemable non-participating preference shares of R80 million issued by a subsidiary, Newshelf 831 (RF) Proprietary Limited, on 1 October 2014 and have a redemption date of 13 November 2017. The dividend rate is 79% of the prime bank lending rate. Preference share dividends are payable not later than four Business Days following the payment of interim and final dividends by Life Healthcare Group Holdings Limited. The Class F floating rate preference shares (together with the other preference shares issued by Newshelf 831 (RF) Proprietary Limited) are secured by a cession and pledge of 23 000 000 (2014 – 23 000 000) shares in Life Healthcare Group Holdings Limited held by Newshelf 831 (RF) Proprietary Limited.	74 468
Class A floating rate cumulative redeemable preference shares of R285 million issued by a subsidiary, Newshelf 1064 (RF) Proprietary Limited, on 4 December 2015. The preference shares are redeemable in full on 4 December 2020. The dividend rate is 92.5% of the prime bank lending rate. The preference shares are secured by a cession and pledge of 9 688 652 shares in Oceana Group Limited held by Newshelf (RF) 1064 Proprietary Limited.	285 304
Class A floating rate cumulative redeemable non-participating preference shares of R297.44 million issued by a subsidiary, Newshelf 1269 (RF) Proprietary Limited, in tranches commencing on 22 April 2014. The preference shares are redeemable in full in five years from date of first issue. The dividend rate is 90% of the prime bank lending rate. Newshelf 1063 (RF) Proprietary Limited, the sole shareholder of Newshelf 1269 (RF) Proprietary Limited has given the preference shareholder a limited recourse guarantee secured by a pledge and cession of its shares and claims in and against Newshelf 1269 (RF) Proprietary Limited.	233 760
Class B participating redeemable preference share issued on 22 April 2014. The terms of the Class B preference share allow for the Class B preference shareholder to receive one seventh of any distribution payable to the ordinary shareholder of Newshelf 1269 (RF) Proprietary Limited as well as a Class B Final Preference Dividend which is between 10% and 12.5% of the amount by which the market value of the relevant assets in Newshelf 1269 (RF) Proprietary Limited exceed the aggregate of the outstanding Class A preference shares and all potential tax liabilities and costs in Newshelf 1269 (RF) Proprietary Limited. The preference share is redeemable in full in six to eight years from date of first issue.	59 925
Floating rate cumulative redeemable non-participating preference shares of R75 million issued by a subsidiary, Friedshelf 1535 (RF) Proprietary Limited, on 15 December 2014. The preference shares are redeemable in full on 15 December 2018. The dividend rate is 107% of the prime bank lending rate. The preference shares are secured by a cession and pledge of the shares and claims in and against Newshelf 1062 (RF) Proprietary Limited, a wholly-owned subsidiary of Friedshelf 1535 (RF) Proprietary Limited.	57 935
Class A3 variable rate cumulative redeemable preference shares of R1 132.8 million issued by a subsidiary, Newshelf 1063 (RF) Proprietary Limited, which were previously designated as Class A1 and Class A2 variable rate cumulative redeemable preference shares and reclassified on 4 November 2015 and are redeemable in full on 4 November 2020. The dividend rate in respect of the preference shares is 87% of the prime bank lending rate nominal annual compounded monthly. The company is not obliged (but is entitled) to declare and pay any scheduled preference share dividends that are deemed to accrue during the first three years after 4 November 2015 on 1 March and 1 September of these years. The company is obliged to declare and pay any scheduled preference share dividends that are deemed to accrue during the fourth and fifth years after 4 November 2015 on 1 March and 1 September of these years. Brimstone has agreed to guarantee to the holders of the preference shares the due and full performance by the company of the guaranteed liabilities and to pay all guaranteed amounts and gross up amounts to the holders.	1 031 770
Class A4 variable rate cumulative redeemable preference shares of R138 million issued by a subsidiary, Newshelf 1063 (RF) Proprietary Limited, on 12 November 2015 and are redeemable in full on 12 November 2020. The dividend rate in respect of the preference shares is 87% of the prime bank lending rate nominal annual compounded monthly. The company is not obliged (but is entitled) to declare and pay any scheduled preference share dividends that are deemed to accrue during the first three years after 12 November 2015 on 1 March and 1 September of these years. The company is obliged to declare and pay any scheduled preference share dividends that are deemed to accrue during the fourth and fifth years after 12 November 2015 on 1 March and 1 September of these years. Brimstone has agreed to guarantee to the holders of the preference shares the due and full performance by the company of the guaranteed liabilities and to pay all guaranteed amounts and gross up amounts to the holders.	138 889
Term loan from financial institution repayable in full upon expiry on 18 November 2020. Interest is charged at a variable rate linked to three month JIBAR. Interest is capitalised on a quarterly basis and is payable upon receipt of distributions from the underlying investment in Equites Property Fund Limited. The loan is secured by a cession and pledge of 28 million shares in Equites Property Fund Limited and 16.5 million shares in Life Healthcare Group Holdings Limited.	303 246
Total	2 769 427
Less: Amount transferred to short-term borrowings	(145 409)
	2 624 018

Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)
(Registration number 1995/010442/06)
Share code: BRT ISIN: ZAE000015277
Share code: BRN ISIN: ZAE000015285

NOTICE OF GENERAL MEETING OF BRIMSTONE SHAREHOLDERS

In this notice unless the contrary appears from the context, words and phrases used will have the defined meanings given thereto in this Circular of which this notice forms part.

Notice is hereby given that the General Meeting of Brimstone Shareholders will be held at the Registered Office of Brimstone, 1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700 on Thursday, 9 March 2017 at 11:00, for the purpose of considering and, if deemed fit, passing with or without modification the resolutions set out in this notice of General Meeting.

Shareholders are advised that Treasury Shares are not eligible to vote on the resolutions set out below.

Ordinary Resolution Number 1: Proposed Listing

"Resolved that the Proposed Listing of Sea Harvest and the simultaneous capital raising in the amount of up to R1.5 billion, be and is hereby approved by Brimstone Shareholders."

Ordinary Resolution Number 2: Signature of documents

"Resolved that any of the Directors or the company secretary of the Company be and are hereby authorised to do all such things and sign all documents including company forms and to take all such action as they consider necessary to give effect to and implement Ordinary Resolution Number 1."

Voting and proxies

The record date in terms of section 59 of the Companies Act for Shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the General Meeting is Friday, 3 March 2017 and the last day to trade in the Company's Shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the General Meeting is Tuesday, 28 February 2017.

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak, and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of Certificated Shareholders and Dematerialised Shareholders with "own-name" registration of the Company, a form of proxy is enclosed herewith. On a show of hands, every Shareholder of the Company present or represented by proxy shall have one vote only. On a poll, every Shareholder of the Company present or represented by proxy shall have 100 votes for every Ordinary Share and 1 vote for every N Share held in Brimstone by such Shareholder.

The attached form of proxy is only to be completed by those Shareholders who are:

- holding Shares in certificated form; or
- dematerialised with "own-name" registration.

All other beneficial owners who have dematerialised their Shares through a CSDP or broker other than "own-name" and who wish to attend the General Meeting, must instruct their CSDP or broker to provide them with a letter of representation or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown, 2107

Forms of proxy are to be received by no later than 11:00 on Tuesday, 7 March 2017 (or 48 hours before any adjourned general meeting which date, if necessary, will be notified on SENS and in the press). Thereafter, forms of proxy may only be delivered to the Company at the location for the General Meeting and immediately prior thereto.

By order of the Board

MA Brey
Chief Executive Officer

Cape Town
Wednesday, 8 February 2017

Registered Office

1st Floor, Slade House
Boundary Terraces
1 Mariendahl Lane
Newlands
Cape Town, 7700

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

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BRIMSTONE
INVESTMENT CORPORATION LIMITED

Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)
(Registration number 1995/010442/06)
Share code: BRT ISIN: ZAE000015277
Share code: BRN ISIN: ZAE000015285

FORM OF PROXY

For use by Certificated Shareholders or Dematerialised Shareholders with "own-name" registration at the General Meeting of the Company to be held at the Registered Office of Brimstone, 1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700 on Thursday, 9 March 2017 at 11:00 and at any adjournment thereof. Dematerialised Shareholders holding Shares with "own-name" registration, must inform their CSDP or broker to issue them with the necessary letter of representation to attend the General Meeting in person and to vote or provide their CSDP or broker with their voting instructions should they not wish to attend the General Meeting in person, but who wish to be represented thereat. These Shareholders must not use this form of proxy.

I/We (full name in BLOCK LETTERS) (name/s in BLOCK LETTERS)

of (address)

Telephone number ( ) Cellphone number

Email address

being a Shareholder/Shareholders of Brimstone and holding, Ordinary Shares in the Company

being a Shareholder/Shareholders of Brimstone and holding, N Shares in the Company

hereby appoint:

1. of or failing him/her

2. of or failing him/her

3. the chairman of the General Meeting,

as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the Brimstone Shares registered in my/our name(s), in accordance with the following instructions:

	Ordinary Shares*			**N Shares***		
	For	**Against**	**Abstain**	**For**	**Against**	**Abstain**
Ordinary Resolution Number 1: Proposed Listing						
Ordinary Resolution Number 2: Signature of documents						

***Note:** *Please indicate with an "X" in the appropriate space above how you wish your vote to be cast. Unless otherwise instructed, my/our proxy may vote as she/he thinks fit.*

Signed at (place) on (date) 2017

Shareholder's signature

Please read the notes on the reverse side hereof.

Important notes about the General Meeting

1. The General Meeting will start promptly at 11:00. Shareholders wishing to attend are advised to be in the presentation room by no later than 10:50.
2. Shareholders and other attending the General Meeting are asked to register at the registration desk. The registration of Shareholders will close at 11:00.
3. This form of proxy must only be used by Certificated Shareholders or Dematerialised Shareholders who hold Dematerialised Shares with "own-name" registration.
4. Dematerialised Shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
5. Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder(s) of the Company) to attend, speak and on a poll, vote in place of that Shareholder at the General Meeting.
6. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the spaces provided, with or without deleting "the chairman of the General Meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those names that follow.
7. A Shareholders' instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the General Meeting, or any other proxy to vote or to abstain from voting at the General Meeting as she/he deems fit, in respect of all the Shareholder's votes exercisable thereat.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Transfer Secretaries or waived by the chairman of the General Meeting.
9. The chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a Shareholder wishes to vote.
10. Any alterations or corrections to this forms of proxy must be initialled by the signatory(ies).
11. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
12. A minor must be assisted by her/his parent or guardian unless relevant documents establishing her/his legal capacity are produced or have been registered by the Company.
13. Where there are joint holders of any Share:
    - any one holder may sign this form of proxy:
    - the vote(s) of the senior Shareholder(s) (seniority will be determined by the order in which the names of Shareholders appear in the Company's register of Shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s)of the joint Shareholder(s)
14. Section 63(1) of the Companies Act requires that a person wishing to participate in the General Meeting (including any representative or proxy) must provide a reasonably satisfactory identification before they may attend or participate at such General Meeting.
15. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
16. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries of proxy forms to:	**Postal deliveries of proxy forms to:**
Rosebank Towers, 15 Biermann Avenue Rosebank, 2196	PO Box 61051 Marshalltown, 2107

to be received by no later than 11:00 on Tuesday, 7 March 2017 (or 48 hours before any adjourned general meeting which date, if necessary, will be notified on SENS). Thereafter, forms of proxy may only be delivered physically to the Company at the location for the General Meeting and immediately prior thereto.