

CONTENTS

ABOUT THIS REPORT	2
NON-EXECUTIVE CHAIRMAN'S REPORT	4
ABOUT US Who we are Where we operate Our organisational structure	6 8 9 10
OUR OPERATING CONTEXT Our business model Our value chain How we created value using the six capitals Our shared values Our stakeholder relations	12 14 16 18 22 24
Our internal operating context Our external operating context	28 29







OUR STRATEGIC BUSINESS CONTEXT	32	OUR PERFORMANCE REVIEW	86
Our strategy	34	Chief financial officer's report	88
Our key performance indicators	36	Operational reviews	94
Our material matters	37	• Lobster	94
OUD COVEDNANCE	20	• Pelagics	96
OUR GOVERNANCE	38	• Squid	98
Our governance framework	40	• Abalone	100
Our effective leadership	42	• Hake	102
Corporate governance	46	• Seagro	104
Report of the audit and risk committee	55	• Processing and marketing	106
Managing our material risks	60	• Cold storage	108
Our material risks	64	com siorage	100
Report of the remuneration committee	66	ANNUAL FINANCIAL STATEMENTS	110
Report of the social, ethics and transformation committee	71	NOTICE OF ANNUAL GENERAL MEETING	166
Report of the nomination committee	75		
Report of the investment committee	79	SHAREHOLDER INFORMATION	181
Chief Executive Officer's report	82	CODDODATE INCODMATION	100
emeg zacesta, e egyseer s report	:	CORPORATE INFORMATION	182

ABOUT THIS REPORT

Premier Fishing and Brands ("Premier Fishing") was listed on the main board of the Johannesburg Stock Exchange ("JSE") on 2 March 2017. This is Premier Fishing's Group first integrated report and it aims to provide a balanced report on the economic, environmental, social and governance performance of the Group. It's objective is to provide a balanced and accurate assessment of the Group's strategy, performance, risk, opportunities and to enable our stakeholders to make an informed assessment of the Group's ability to create stakeholder value in the short medium and long-term.

Scope, boundary and reporting cycle

Premier Fishing's integrated report includes financial and non-financial information related to the Group's businesses and is primarily targeted at our stakeholders which includes, but not limited to our shareholders, the investment community, our employees, our customers, our suppliers and providers of capital.

This report provides material information relating to our business model, strategy, governance and performance in terms of all of the Group's subsidiaries. This report focuses on the main operations and activities that contribute to Premier Fishing's performance being: lobster, pelagic, abalone, hake, squid, Seagro and cold storage facilities.

It covers the 12-month period ended 31 August 2017, with no restatement of data.

Reporting principles

In preparing our integrated report we were guided by the International Integrated Reporting Framework, published by the International Integrated Reporting Council.

Our reporting principles and disclosure is aligned to the Listings Requirements of the JSE, the Companies Act, 2008 (No. 71 of 2008) ("Companies Act") and the integrated reporting requirements of the King IV™ Report on Corporate Governance™ for South Africa 2016 ("King IV™").

Target audience and materiality

This report has been prepared primarily for our existing and prospective stakeholders, in order for them to make an assessment of the Group's ability to create value in the medium to long-term.

This report focuses on material matters which could substantially affect the Group's ability to create value in the short medium and long-term.

External audit and assurance

The Board of directors ("the Board") with the support of the audit and risk committee is ultimately responsible for the Group's system of internal control designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. We applied a combined assurance model, in which we obtained assurance from management as well as internal and external assurance providers. Management identified key risks facing the Group and implemented the necessary internal controls to manage those risks.

This process is monitored and evaluated under the direction of the internal auditor and external assurance is obtained where required. The audit and risk committee oversees the internal audit function and ensures the effectiveness of the systems of internal controls and risk management.

The audit and risk committee reviewed the effectiveness of internal controls for the year ended 31 August 2017 primarily through reports from the internal auditor, formal confirmations from executive management and the external auditors.

An independent audit of the Group's financial statements was performed by Grant Thornton Cape Inc. External verification has been provided for the Broad-Based Black Economic Empowerment ("B-BBEE") accreditation level. The verification is carried out by an organisation accredited by the Independent Regulatory Board of Auditors ("IRBA"). The remainder of the integrated report has not been subjected to an independent audit or review. The information reported on, other than that mentioned above, is derived from the Group's own internal records and information available in the public domain.

The Board reviewed the effectiveness of controls for the year ended 31 August 2017, principally through a process of management's assessment, including confirmation from executive management. It also considered reports from the internal auditor, the external auditors and other assurance providers. (King IV^{TM} – Principle 5)



Directors' responsibility and approval of the integrated report

The Board is ultimately responsible to ensure the integrity of Premier Fishing's integrated report and acknowledges its responsibility to ensure that the integrity of the integrated report is not compromised. The audit and risk committee is responsible for reviewing and recommending the integrated report and annual financial statements to the Board for approval.

The Board has applied its mind to the integrated report and believes that it addresses all material issues and matters and fairly represents the Group's integrated performance.

The integrated report including the annual financial statements for the Group for the year ended 31 August 2017 were approved by the Board of directors and signed on their behalf by Professor VC Mehana and Mr MS Saban on 24 October 2017. (King IV^{TM} – Principle 15)

Disclaimer: forward-looking statements

In this report we make certain statements that relate to analysis and other information based on forecasts of future results, based on historical data, which are based on estimations of new business and investment assumptions.

These statements may also relate to our future prospects, developments and business strategy. As defined, these are forward-looking statements. These statements may be identified by words such as "expect", "look forward to", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will", "project" or words of similar meaning which are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements

These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures and in the risk management report. Should one or more of these risks or uncertainties materialise or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of the Group may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement.

Premier Fishing neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated.

Navigation OUR SIX CAPITALS



Financial capital



Natural capital



Human capital



Manufactured capital



Intellectual capital



Social and relationship capital



INDEPENDENT NON-EXECUTIVE CHAIRMAN'S REPORT

As the Chairman of the Board of Premier Fishing and Brands Ltd (Premier Fishing), I am delighted to be a proud contributor to this dynamic Group.

It has been a milestone year for Premier Fishing in many respects in that the Company listed on the main board of the JSE in March 2017, trading under the PFB share code. The Group raised a significant amount of capital during the listing and is on a solid footing to further expand the business, thus creating much-needed employment and a broader product basket of high-quality products for their clients.

It is equally important for me to applaud the team on achieving the recognition as the second runner-up to the Most Empowered Company 2017 Award by the prestigious Annual Empowerment Awards hosted by Empowerdex – this, during its infancy as a listed entity. Congratulations to all involved in ensuring that the Group remains the largest black-owned and black-controlled fishing Group in South Africa.

Listing Premier Fishing and Brands

I must, upfront, acknowledge and thank the Premier Fishing team, the members of African Equity Empowerment Investments Ltd. (AEEI), our sponsors, shareholders, stakeholders as well as the communities in which we operate, for their commitment, support and hard work which contributed to making the listing a successful one.

The listing of Premier Fishing was a proud moment for all and together with the directors of the Board, we hope to steer this ship into new territories.

This integrated report will provide you with the financial results for the full financial year. However, Premier Fishing's results only reflect a six-month period of it being a listed entity and therefore contributes to half of the Group's financial year's performance. Read more about this on pages 88 to 109.

For Premier Fishing, it has been an exciting year, despite the global economic and environmental challenges that the Group faces. Through it all, the team remained focused on meeting the agreed goals and objectives as set out in its Vision 2020 Vision strategy during 2015. I am delighted to advise that most of our objectives have been met and we look forward to completing our strategy before or by 2020.

Contribution of the Board in generating value through our strategy

Our diverse board of directors facilitates an environment in which varied views and knowledge can be exchanged as a result of the multiple skill-set, experience and backgrounds of the executive and non-executive directors interacting as a team, driving the Group forward.

The board strives to ensure that Premier Fishing is governed effectively, with integrity and in accordance with sound corporate governance principles, taking into account the emerging global trends and Premier Fishing's strategic direction, with due consideration to the environment, the seasonality of the industry and the current migration of species globally. Read more about Premier Fishing's strategy on page 34.

With the conclusion of our first year as a listed entity, we continue to drive cost efficiencies and refocusing the Group to be more conscious in counteracting the impact on our environment through "green fishing and farming", continuous skills development and training of our employees. This will inevitably create further value for stakeholders when supporting the communities in which we operate through our corporate social responsibility programmes.

Safety first

The Premier Fishing brand is known as the "First Choice", but our employees and their safety remains our "First Priority". We value the contributions and sacrifices our employees make in the best interests of the Group and we find it a moral necessity to ensure that when they are out at sea, working in the cold store, on the farm or at the harbour's edge, they are executing their responsibilities with the utmost care for themselves and the environment. The safety of our fishermen and operational staff remains our top priority and further upskilling and training of employees will be to their advantage and safety.

2017 Performance

Our 2017 performance is a testament to the Group's drive towards continued optimisation and efficiencies within in our operations, creating value-add and sustainability of the business. Through the collective effort across the Group's various divisions and value chain, they were able to declare a maiden dividend of 15 cents per share to its shareholders, with payment scheduled during 8 February next year. Read more about the Group's financial performance in the chief financial officer's report on page 88 to 109.

Delivering on our stakeholder commitments

During the year under review, the Premier Fishing Group continued to deliver on its stakeholder commitments through organic growth.

Premier Fishing signed a binding heads of agreement for the acquisition of 53% of Talhado Fishing Enterprises (Pty) Ltd (Talhado) on 18 October 2017. Talhado is the largest squid player in the South African industry and has a solid asset base. The synergies between Premier Fishing and Talhado are expected to be realised in the short to mediumterm, leading to further efficiencies within the existing structures and operations.

Premier Fishing will continue to aggressively pursue acquisitions that will complement and support its objectives and growth strategies.

I am proud to confirm the completion of phases 1 and 2 of the expansion of the abalone farm. I look forward to the farm generating larger volumes and production capacity in the short to medium-term with the cultivation of a much sought-after abalone product and well-known brand in the overseas markets.

Future outlook

The future outlook for Premier Fishing looks promising as the Group focuses on strategic acquisitions, enhancing their product basket, creating sustainable value for all stakeholders in terms of their strategic goals leading up to and beyond 2020.

Plans for the future include the further expansion of the abalone farm, the continuous monitoring and measuring of sustainable fishing practices. The Group's aim is to continue delivering strategic value to all shareholders by broadening their client base, increasing market share, continuous operational excellence and driving costefficiencies and to remain steadfast in their drive to improve job creation in the country.

Conclusion

This integrated report demonstrates the tenacity and devotion of Premier Fishing's employees and the management teams who lead them. At Premier Fishing we know full well that our longevity is inextricably linked to the success of our many stakeholders and the trust and confidence of our shareholders to deliver value despite the challenging and volatile times we are facing.

I wish to extend my sincere thanks to my fellow board members, our shareholders and the Group's many stakeholders which includes our employees, customers, partners, suppliers, government and communities. Without your continued support we could not have progressed as well as we have.

A heartfelt thank you for your unwavering support.

REVEREND DR VUKILE MEHANA

INDEPENDENT NON-EXECUTIVE CHAIRMAN







WHO WE ARE

The Premier Fishing Group has been in existence since 1952 and listed on the main Board of the Johannesburg Stock Exchange on 3 March 2017. The Group is a predominantly a commercial fishing, fish processing and marketing entity and is involved in aquaculture through its abalone farm and the manufacturing of environmentally friendly fertiliser products through the Seagro brand.

Our vision

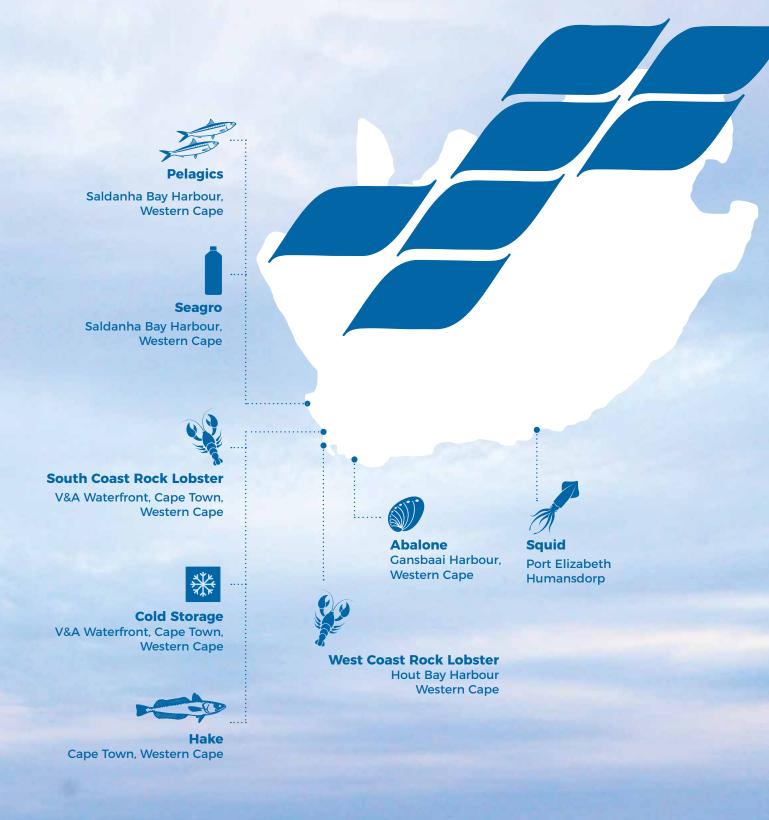
To be the first choice in everything we do and for all of our stakeholders.

Our mission statement

We aim to be a pre-eminent vertically integrated empowerment fishing Group which uses sustainable and ethical practices to grow and harvest marine resources in a manner which will provide superior and sustainable returns to all stakeholders.

Where we operate

Premier Fishing mainly operates in the Western and Eastern Cape Provinces of South Africa. The fishing grounds from which we harvest marine resources stretch from Lambert's Bay in the Western Cape to Humansdorp in the Eastern Cape. Our aquaculture operation in which we grow and harvest abalone is based in Gansbaai in the Western Cape.





OUR ORGANISATIONAL STRUCTURE



Premier Fishing SA (Pty) Ltd ("Premier Fishing SA")

Premier Fishing SA is a 100% owned subsidiary of Premier Fishing and is the catching and processing business unit of the Premier Group. Premier Fishing SA owns medium- to long-term fishing rights for South Coast rock lobster ("SCRL"), West Coast rock lobster ("WCRL), small pelagics (pilchards and anchovy), hake trawl, hake inshore, squid, swordfish and tuna.

REVENUE R348 million (2016: R347 million)

SOUTH COAST ROCK LOBSTER ("SCRL")



Number of owned vessels 4

Processing plant and location: 1 PLANT, V&A WATERFRONT

Quota size and managed 133 tons kilograms

Market: UNITED STATES OF AMERICA

WEST COAST ROCK LOBSTER ("WCRL")



Number of owned vessels 2

Processing plant and location: 1 PLANT, HOUT BAY

Quota size and managed kilograms

Market: CHINA, HONG KONG, JAPAN



Number of owned vessels 4

Market: EUROPE

Processing plant and location: 1 PLANT. HUMANSDORP

Quota size and managed kilograms

Total Allowable Effort

PILCHARDS & ANCHOVY



Number of owned vessels 6

Market: SOUTH AFRICA

Pilchards - quota size 3 838 tons

Anchovy - quota size managed kilograms

28 585 tons



Number of owned vessels

Quota size and managed kilograms 720 tons Market: EUROPE

SEAGRO



Processing plant and location: SALDANHA BAY

Market: SOUTH AFRICA

COLD STORAGE



Processing plant and location: 1 COLD STORE, V&A WATERFRONT

Market: SOUTH AFRICA



·> Marine Growers



100%

REVENUE R36 million (2016: R39 million)

OPERATING PROFIT R13 million

(2016: R13 million)

Marine Growers is a 100% owned subsidiary of Premier Fishing SA and is the aquaculture business unit of the Premier Group based in Gansbaai. Marine Growers owns an abalone farm that cultivates abalone for the export market. South African abalone (Haliotis Midae) is highly soughtafter internationally, particularly in the Far East where it competes favorably against Japanese abalone. As a result of international demand, abalone is one of the most expensive seafoods on the market.

Division

Atlantic **ABALONE**

Owned and leased land area: 9 HECTARES

Market:

CHINA, HONG KONG, TAIWAN

Processing plant and location: 1 LIVE PACK FACILITY, GANSBAAI HARBOUR

Yearly production output kilograms 120 000

100%

> Premfresh Seafoods (Pty) Ltd ("Premfresh") Premfresh Seafoods



REVENUE R27 million

R7 million (2016: R16 million)

(2016: R4 million)

OPERATING PROFIT

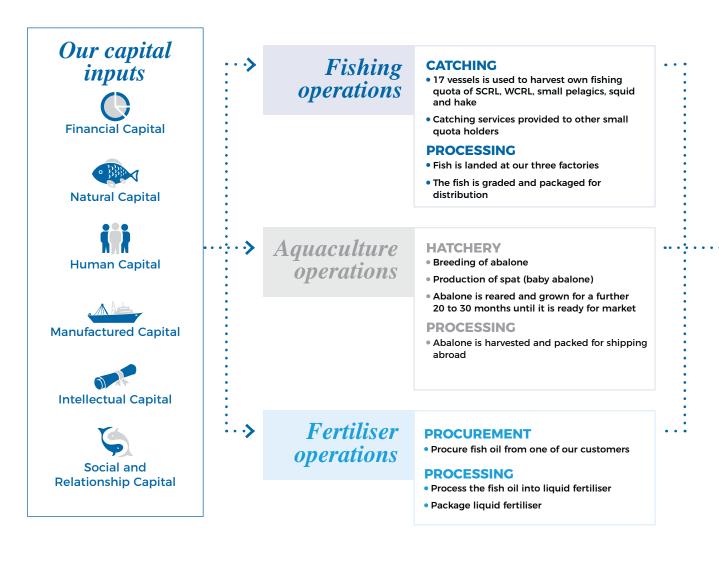
Premfresh is the sales and marketing business unit of the Premier Group and is 100% owned subsidiary of Premier Fishing SA. Premfresh has an experienced marketing team with more than 30 years combined experience in the marketing of fish, fish-related products and conducts the sales of all of the Premier Group's products. Premfresh also provides sales and marketing services to outside small quota holders.





OUR BUSINESS MODEL

How we are structured to create value



EXPENSES

- Our main expenditure is incurred through the harvesting of marine products which includes wages, diesel, maintenance, packaging, electricity, etc.
- We are legally obliged to pay direct and indirect taxes to SARS.

REGULATORY ENVIRONMENT

- Allocation of fishing rights
- Compliance with legislation

MACRO-ECONOMIC ENVIRONME

- South African Rand/US Dollar exchange ra
- Global economic growth rate

Our business units and operations are lean, aligned and arranged by function to ensure high productivity, cost and operational efficiencies with quick decision making as an integrated Group.

Cold storage and distribution

Branding, sales and marketing

Key enablers

 Optimal organisational structure and capable employees

· · · ›

·>

- Diverse fisheries portfolio which can be leveraged to drive growth
- Optimal capital structure to fund expansions
- Collaboration with other fishing companies and small quota holders to drive growth

• Live and frozen lobster • Frozen squid • Frozen hake • Raw small pelagics • Live, frozen, canned and dried abalone • Bottled Seagro fertiliser

OPERATING ENVIRONMENT

Catch rates

ate

- · Cash flow management
- · Availability of critical skills
- · Industrial actions
- · Climate change and weather conditions

INCOME

- Income is generated from the sale of harvested and cultivated marine products
- · Interest received on cash balances

OUR VALUE CHAIN

Our streamlined integrated operational model together with our vessels, plant, employees and financial resources are utilised in a manner to extract significant value from natural resources.

Fishing value chain

NATURAL RESOURCES (MARINE RESOURCES) CATCHING AND PROCUREMENT OF LOBSTER, SQUID, HAKE AND PELAGICS

- Our fishing vessels are efficiently utilised to harvest and land allocated quota in the form of either live or frozen fish.
- Through maintaining strong relationships with small quota holders, we procure stock from other quota holders.



PROCESSING

- Live fish is landed in oxygenated sea water tanks, stored, purged and prepared for export.
- 2. Whole frozen and lobster tails are processed for the export market.
- Lobster is graded according to size and packed in our branded boxes for the export market.
- Squid and hake is processed and packed in our branded boxes for the export market.
- **5.** Raw small pelagics is delivered to our customer's factory for processing.

Aquaculture value chain

BREEDING AND PROCUREMENT

- We usitlise scientific methods to induce the breeding of male and female abalone in order to produce spat.
- Through maintaining strong relationships with other abalone farms, we procure additional spat when the need arises.



REARING AND PROCESSING

- The best quality feed is procured and fed to our animals.
- 2. We continuously monitor the size of the animals until they reach a size preferred by the market.
- We harvest abalone as live animals, process it at our own facility and package it in our branded boxes for the export market.
- We harvest abalone as live product and outsource the processing for canned and dried abalone.

Fertiliser value chain

PROCUREMENT

 Through maintaining a strong relationship with one of our customers, we are able to procure fish oil (a by-product of the fishmeal process) from them.



PROCESSING

- We utilise our plant facilities and skills to process the fish oil to liquid fertiliser (Seagro).
- The liquid fertiliser is packed and branded in our bottles.



BRANDING, SALES AND MARKETING

- 1. Our outputs from processing are:
 - · live lobster
- frozen whole lobster
- frozen lobster tails
- frozen lobster heads
- · frozen squid
- · frozen hake
- raw small pelagics
- 2. Our highly experienced and skilled marketing team sells our high-quality products at competitive market prices.
- **3.** Income is generated from processing, marketing and selling small quota holder's fish.
- 4. Income is generated from hiring out part of our cold storage facilities to third parties.



BRANDING, SALES AND MARKETING

- 1. Our outputs from processing are:
 - · live abalone
 - · canned abalone
 - · dried abalone
- Our highly experienced and skilled marketing team sells our high-quality products at competitive market prices.



BRANDING, SALES AND MARKETING

- 1. Our output from processing is the liquid fertiliser.
- 2. Our highly skilled and experienced marketing team sells our high-quality products at competitive market prices

HOW WE CREATED VALUE USING THE SIX CAPITALS



FINANCIAL CAPITAL

The Group's healthy balance sheet, together with the outcomes of the other six capitals enabled us to deliver significant and sustainable returns for our stakeholders. We reinvested the financial capital returns in our business to ensure greater returns for our stakeholders.

KEY FINANCIAL CAPITAL INPUTS

- Capital raised of R527 million through the listing to fund expansion activities;
- Funding facilities of R35 million obtained from our bankers prior to the listing of which R18 million has been utilised; and
- Interest income of R17 million received.

OUTCOMES OF OUR ACTIVITIES ON FINANCIAL CAPITAL

	2017 R'000	2016 R'000
Operating profit	65 151	65 156
Cash generated from operations	40 094	68 380
Normalised earnings per share (cents)	33,7	25,84
Dividends to shareholders	39	-

ACTIONS TO ENHANCE OUR OUTCOMES

- Implemented plans to reduce costs to ensure that we maintain our margins as a result of the strengthening of the South African Rand; and
- Successfully raised capital on the JSE which enabled us to fund our expansion activities and potential acquisitions.



NATURAL CAPITAL

Our vessels, equipment and human capital is used to convert natural resources into financial and social returns for all of our stakeholders. We invested in solar energy at our abalone farm which enabled us to significantly reduce our impact on the environment.

KEY NATURAL CAPITAL INPUTS

	2017	2016
Total quantity of fish landed (tons)	21 887	26 898
Total quantity of spat (baby abalone) produced (thousands)	1 218	1 090
Total electricity usage (kWs)	1 953 631	1 962 933
Land leased for aquaculture development (hectares)	3	3
Land owned for aquaculture development (hectares)	6	6

OUTCOMES OF OUR ACTIVITIES ON NATURAL CAPITAL

	2017	2016
Total quantity of fish sold (tons)	21 948	26 862
Total quantity of cultivated abalone sold (tons)	80	88

ACTIONS TO ENHANCE OUR OUTCOMES

- We continued to invest in solar energy at our abalone farm with an anticipated additional 500 kVA capacity to be installed with the expansion of the farm; and
- We continued to invest in research and development to find innovative solutions from which to extract valueadded products from our lobster.

In everything we do, we take into account the resources and relationships that are necessary inputs which we require to create sustainable value for our stakeholders.



HUMAN CAPITAL

Our highly experienced, motivated and skilled employees enable us to operate in a cost-effective and efficient manner, resulting in high returns for our shareholders. We continued to encourage a culture of team work, respect and safety in all our operating facilities. We invested significantly in training and skills development for our employees. We have a Premier Fishing Bursary programme in place which funds academic and tertiary studies for our employees and their dependents.

KEY HUMAN CAPITAL INPUTS

- · Team work and a respectful culture;
- Modern, safe, reliable and highly efficient equipment;
- Clean, safe and healthy operational premises; and
- Effective leadership to develop and lead our employees to deliver high performance.

OUTCOMES OF OUR ACTIVITIES ON HUMAN CAPITAL

	2017	2016
Number of employees	381	356
Total amount paid in salaries, wages and benefits (R'000)	69 601	60 250
Total amount paid to contracted fishermen (R'000)	32 289	29 971
Total amount paid for the Premier Fishing Bursary (R'000)	239	127
Total number of employees receiving training	157	151
Total amount paid for skills development	882	918
Number of employee fatalities	nil	nil

ACTIONS TO ENHANCE OUR OUTCOMES

- We continuously promote a working environment in which all our employees are valued, respected and developed which enables them to deliver high performance;
- We continuously fund the Premier Fishing Bursary
 Programme enabling our employees to attain and
 develop critical skills that are required within the Group;
- We continuously employ stringent risk management processes which ensures a safe and healthy working environment for our employees; and
- We plan to expand our operations which will ultimately result in an increase in the number of employees and job security for our employees.



MANUFACTURED CAPITAL

We rely on our fishing vessels, plant and equipment to harvest, cultivate and process marine products and ultimately deliver quality products to our customers. We invested in the maintenance of our existing fishing vessels, plant and equipment to ensure that they operate in a safe, reliable, and efficient manner. Following our successful capital raise process we will be investing in new equipment to expand our operations and deliver higher returns for our stakeholders.

KEY MANUFACTURED CAPITAL INPUTS

- Property, plant and equipment of R130 million (net book value); and
- Assets under construction of R5 million.

OUTCOMES OF OUR ACTIVITIES ON MANUFACTURED CAPITAL

	2017 R'000	2016 R'000
Capital expenditure to maintain operations	14 066	9 295
Capital expenditure to expand operations	7 995	-
Depreciation and amortisation	14 255	13 406

ACTIONS TO ENHANCE OUR OUTCOMES

- The construction of our abalone farm and pelagic plant is in progress; and
- We continued to invest in the maintenance of our existing vessels, plant and equipment to extend the useful lives of the assets

HOW WE CREATE VALUE USING THE SIX CAPITALS continued



INTELLECTUAL CAPITAL

Key to our business is our knowledge and systems that we employ in order to generate returns for our stakeholders. We own patents and trademarks which enabled us to manufacture and brand our products.

KEY INTELLECTUAL CAPITAL INPUTS

- Our patents and trademarks:
- · Our business processes and systems; and
- Our highly experienced and skilled employees.

OUTCOMES OF OUR ACTIVITIES ON INTELLECTUAL CAPITAL

	2017	2016
Number of patents and trademarks issued	20	20

ACTIONS TO ENHANCE OUR OUTCOMES

- We continue to strive to protect our intellectual property;
 and
- Committed funds towards research and development initiatives.



SOCIAL AND RELATIONSHIP CAPITAL

As part our ethos, we invested heavily in social and economic development, particularly in the communities in which we operate. We have a number of corporate social investment activities that are aimed at empowering small fishing communities.

KEY SOCIAL AND RELATIONSHIP CAPITAL INPUTS

- We provided administrative and technical skills support to small quota holders;
- We provided funding to junior soccer teams in Saldanha for their sports development;
- We procured the majority of our goods and services from previously disadvantaged individuals or companies;
- We provided funding for our employees' dependents' tertiary education through the Premier Fishing Bursary Programme;
- We provided funding to primary schools in Gansbaai for their sports development activities;
- We maintained a constructive relationship with representatives of workers unions; and
- We maintained a constructive engagement with the Department of Agriculture, Forestry and Fisheries (DAFF) and other government departments.

OUTCOMES OF OUR ACTIVITIES ON SOCIAL AND RELATIONSHIP CAPITAL

	2017 R'000	2016 R'000
Broad-Based Black Economic empowerment status	Level 2	Level 2
Social investment expenditure	1 535	1 396
Enterprise development expenditure	9 750	9 140
Expenditure on preferential procurement	93 214	88 289
Direct and indirect taxes paid	30 922	24 320

ACTIONS TO ENHANCE OUR OUTCOMES

- We implemented a programme to support small- to medium-size enterprises through procurement and providing loan financing;
- We continued to engage the communities in small fishing villages and provided financial assistance to the communities; and
- We continued to engage with investors to ensure that our shareholder's expectations are aligned with our strategies.



OUR SHARED VALUES

What shared value means to us:
Understanding stakeholder expectations and societal needs and communicating through stakeholder engagements.

We are driven by our values which are:

STAKEHOLDERS

To serve our stakeholders through good corporate governance, ethical conduct, value creation and quality products and services.

INTEGRITY

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

PEOPLE

To provide sustainable employment opportunities for our employees and others, maintain a safe and secure working environment and zero fatality. Develop, attract and retain the correct skills and structures to meet and support our strategic growth.

COMMITMENT

To deliver on our promises and add value beyond expectations.

RESPECT AND TRUST

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

ACCOUNTABILITY

To have responsible and accountable leadership that addresses the expectations of our diverse stakeholders and embrace these responsibilities with efficiency.

OUR INTEGRATED REPORTING MODEL

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

Our approach to addressing matters above is to prioritise those most important to achieve medium to long-term sustainable business growth for the Premier Group. We have identified strategic enablers in order for us to execute our business model and achieve sustainable value creation. (King IV^{TM} – Principle 4)

SOUND GOVERNANCE

We can only be a sustainable business if we continue to rigorously promote and implement good corporate governance practices. This is an integral part of our business model that is built on delivering good governance outcomes in terms of an ethical culture, effective control, sustainable performance and legitimacy. Our sound governance platform is embedded in our corporate culture. (King IVTM – Principle 6)

DEVELOPMENT OF PEOPLE

Our employees are our most important resource. We recognise the importance of attracting and retaining the right calibre of people, keeping them motivated in a safe, supportive working environment and remunerating them accordingly. We continued to provide training and development to our employees and to ensure that employee development plans are in place for the retention of employees. We continue to install a culture of excellence and opportunity for our employees. (King IV^{TM} – Principle 14)

SOCIETY

In order to remain sustainable as a business, we contributed towards social and economic development and developing partnerships that enhanced our long-term viability in a stable and growing economy. In order to create an enabling environment and develop and enhance markets for our products, we were proactive and responsive to our stakeholders' interests and ensured that we implemented best practices in our operations. (King IVTM – Principle 3)

ENVIRONMENT

We are committed to implementing sustainable business practices that minimise the impact on the environment from our business operations. Our business has a low direct impact on the environment, but we are affected by the environment in which we operate and by the effects of climate change in general. We acknowledge that a stable economy and a sustainable business requires a sustainable environment. We continued to work closely with the relevant authorities to safeguard various fish species and paid careful attention to the environmental impact of our operations. (King IV^{TM} – Principle 3)

OUR STAKEHOLDER RELATIONS

We recognise the importance of constant engagement with our stakeholders. Our principal stakeholders are our shareholders, employees, customers, suppliers, regulatory authorities, government and the local communities in which we operate.

We appreciate the role of our stakeholders and are committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. The Premier Group recognises that its businesses are but one of the stakeholders in the socio-economic environmental system and that building and maintaining trust and respect with our various stakeholders had a positive impact on our reputation. We ensured that we responded timeously and appropriately to matters raised in our interactions with various stakeholders.

We addressed essential risks that could impact our business operations and continued to look at opportunities in our interactions with our various stakeholders. (King IV^{TM} – Principle 16)

Our stakeholder management approach involves gaining a thorough understanding of our key stakeholders, addressing and managing their expectations and their matters that could impact the Premier Group.

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

The views and actions of our stakeholders could impact on our ability to execute our strategy and the way in which we conduct our business activities. The feedback from our stakeholders enables us to update our engagement plan and to create stronger partnerships and improve our overall relationships. We create value for our stakeholders in the short, medium- and long-term through:

Capital	Stakeholder	
Financial	Owners	
Natural	Government	
Human	Employees	
		• • • • • • • • • • • • • • • • • • • •
Intellectual	Customers	
Social	Customers	•
Social	Communities	
	30a	
		• • • • • • • • • • • • • • • • • • • •
Social	Government	
Social	Suppliers	
		• • • • • • • • • • • • • • • • • • •



Value for the organisation	Value for stakeholders
Supply of capital at a reasonable priceHealthy balance sheet	Capital growthDividendsReturn on investment
Repeated utilisation of fishing quotas	Reduced riskPayment of landing levies and taxes
 Engaged and motivated employees Ability to attract and retain key skills 	 Fair remuneration Interesting working opportunities Growth and development Equal opportunities Health and safety
 Understanding trends and opportunities Improved ability to compete Reputable brands 	Better products and services
Repeat businessRevenue growth	Quality products and servicesFair pricingCorrect labelling
ReputationBrand valueTrustAccess to business opportunities	 Employment/business opportunities Environmental care Local resource hire Resource use
Favourable legislation	Contribution to taxesSupport job creationOther strategic initiatives
Good serviceCommitmentGood pricingQuality products	Fair allocation of businessRemuneration timeouslyZero corruption

OUR STAKEHOLDER RELATIONS continued

We continue to build strong relations with our stakeholders by consistently communicating with them and understanding and managing their expectations. Our key stakeholders, their expectations and how we manage their expectations are listed below:

STAKEHOLDER	Shareholders	Our employees
	We have a broad shareholder base including individuals, institutional investors, private and public companies	Our staff compliment consists of permanent employees, seasonal workers and contracted fishermen
PRIMARY CONCERNS AND EXPECTATIONS HOW WE	Sustainability of our business Return on capital invested Optimal capital allocation and management Execution of growth strategies Appropriate risk identification and management processes Sound corporate governance Ethical conduct Engagement was done through formal and informal interactions and	 Career development and skills training Job security Market-related remuneration and equal pay Health and safety Transformation and diversity Involvement in secondary and tertiary education programmes Employee wellness programmes Corporate social investment in communities Employee engagement and communication Open and honest feedback Communication channels include:
ENGAGED WITH THEM	these channels include: Pre listing statement Road shows Site visits Annual general meeting Results presentation SENS Announcements Print media Ad hoc meetings as requested Website - www.premierfishing.co.za	 Emails and notice boards Internal meetings with trade union representatives takes place on a regular basis Performance reviews and feedback sessions Company website Induction programmes Role blueprints, including job grading and job specification requirements Training and development sessions Union interaction
EXPECTATION MANAGED	Sound corporate governance rules are implemented in the business Ethical conduct Increase in earnings of 33% Currently in progress with implementing growth strategies	 The Group embarked on updating role blue prints, benchmarking and evaluation measures and identifying further skills development plans We focus on health and safety standards and procedures and ensure that working conditions are acceptable A substantial investment in skills development was made The group also has a bursary programme which facilitates higher education We also implemented an wellness clinic at our abalone farm

ACRONYMS

FDA Food and Drug Administration MCM Marine Coastal Management
HAACP Hazard Analysis and Critical Points Control NRCS National Regulator for Compulsory Specifications

Our suppliers Regulatory authorities **Communities** Our customers We have a wide array of both We have a wide range of DAFF, SARB, SARS SAMSA, MCM These are the communities from suppliers and, source products and NCRS which we operate including foreign and local customers and services mainly from local other small quota holders Accreditation: HACCP, FDA, empowered suppliers SABS, NCRS • Delivery of quality products · Long-term security of Compliance with laws and Social investment and services regulatory authorities programmes supply Price competiveness Fair treatment and fair Job creation payment terms Leveraging off our B-BBEE Enterprise development credentials Entrepreneurship and supplier development Adherence to regulatory programmes requirements, sound corporate governance, and Commitment to B-BBEE policies ethical conduct Reliable long-term supply of products We engaged with them through We engaged with them through We engaged with them through We engaged with the various forums including: various forums including: various forums including: community through direct one-on-one meetings and Emails and telephonic Emails and telephonic Emails and telephonic also through roadshows at conversations conversations conversations community centres Contract negotiations and Contract negotiations and Site inspections and audits ongoing interactions in the ongoing interactions in the Industry association ordinary course of business ordinary course of business meetinas Customer visits; meetings, Meetings, including site visits and one-on-one including site visits and one-on-one engagements engagements Supplier audits Service level agreements Ensured inventory Ensured that the Premier Continuous training of • Regular donations to sport Group conducted business management and staff development programmes availability with reputable businesses responsible for compliance in the communities of Ensured that all products in terms of its Code of with various regulatory Saldanha and Gansbaai supplied have the legal **Ethics** bodies and the respective paperwork from the School donations and authorities governing our Fully committed to support programmes relevant authorities in businesses B-BBFF in the communities of Internal control procedure Hawston and Gansbaai Ensured that products are Ensured fair and timeous checklist to ensure safe and consistent with payments Job creation through the compliance with respective the quality and brand of abalone farm expansion Implemented several laws and regulations the Premier Group entrepreneurship and Free administrative support Immediate corrective Ensured that our products supplier development services and technical action noted in the event training to contracted adhered to all the programmes of findings raised by necessary standards such small quota holders

SABS SAMSA

as HACCP, SABS, FDA and

regulations and legislation

EU standard tests

Complied with international laws,

South African Bureau of Standards South African Maritime Safety Authority SARB SARS

authorities

regulators

working groups

Participation in industry

Meeting with industry

South African Reserve Bank South African Revenue Service

OUR INTERNAL OPERATING CONTEXT

The Premier Group identified two business units for organic growth. These being are the expansion of our abalone farm and re-opening of our pelagic plant. They are important projects in terms of increasing shareholder value in the long-term.

The Abalone Expansion Project

We identified aquaculture as a key business area for development of the Premier Group. The Premier Group acquired six hectares of land in 2011 and adjacent to our existing farm that was earmarked for future expansion. Once the farm is fully developed, output will triple from 100 tons to 300 tons annually. The budgeted capital expenditure of the project, including utilities and infrastructure development is approximately R200 million. The development is expected to take a period of five years for the farm to reach full capacity.

MILESTONES ACHIEVED

- The development commenced in July 2017;
- Increase in production output of 11 tons during the 2017 financial year and as a result of the new development; and
- Total stock holding increased by 23 tons for the year under review.



EXPECTED RETURNS

- At full capacity we anticipate additional revenue of R100 million and additional profits of R40 million per annum; and
- The current internal rate of return ("IRR") for then project is 17%.

The Pelagic Expansion Project

The Premier Group currently sells its raw pilchards and anchovy to one of its customers. The Premier Group identified an opportunity to extract additional margins from this business unit by processing anchovy to fishmeal. The Premier Group has facilities which can be utilised as a fishmeal plant. We budgeted capital expenditure for the project of R100 million, which will be used to purchase and commission the plant as well as develop infrastructure to the facility. The plant is expected to be operational prior to the commencement of the 2017/2018 small pelagics fishing season.

This development will ensure that we will no longer have to purchase fish oil that is used in the manufacture of Seagro. Fish oil is a by-product of the fishmeal production process and will result in increased revenue and margins in the Seagro operation.

MILESTONES ACHIEVED

- Consulting engineers have been appointed; and
- Plant designs have commenced and are expected to be completed by the end of October 2017.



EXPECTED RETURNS

- At full capacity we anticipate additional revenue of R120 million and additional profits of R30 million per annum.
- The current internal rate of return ("IRR") for the project is 15%.

OUR EXTERNAL OPERATING CONTEXT

It has been a challenging year for the entire South African fishing industry. Slow global economic growth resulted in muted increases in market prices and increased pressure on operating margins. The Premier Group intensified its effort to cut costs and improve operational efficiencies in order to maintain margins.

Currency Fluctuations

The South African Rand ("ZAR") has been volatile over the past four years. However, when measured against the performance in the previous financial year, the ZAR appreciated in value against the United States Dollar ("USD") in the current financial year. The ZAR averaged R14,73 during the 2016 financial year but appreciated to an average of R12,92 during the 2017 financial year.

ZAR/USD DAILY SPOT RATE: 1 September 2016 to 31 August 2017 (source SARB)



HOW THIS AFFECTED OUR BUSINESS

70% of our revenue is generated from export sales and with a stronger Rand/Dollar exchange rate resulted in lower turnover and margins for export-oriented industries. Some of our costs were reduced when there was a strengthening of the Rand in terms of the freight and diesel costs. We focused on cost-efficiencies and strategies to achieve higher USD sales prices during the financial year. This ensured that our operating margins remained resilient during the financial year under review even though there was reduced turnover in ZAR terms.

Future outlook

We anticipate the ZAR to remain volatile in the short to medium-term. Economic forecasts expect an average ZAR/USD rate of R13 during the 2018 financial year. In the long-term we anticipate the ZAR to weaken against the USD. Generally a weaker exchange rate translates to increased revenues in ZAR terms and improved operating margins for the Premier Group.



Weather Conditions

South Africa experienced extreme weather conditions during the 2017 financial year. Unanticipated storms were experienced in the Western Cape and in the Northern parts of the country which resulted in the destruction of infrastructures. Extreme weather conditions could affect fishing-related infrastructures which may result in increased catching and processing costs. South Africa experienced an increase in sea surface temperatures during the summer months resulting in red tide in the Hermanus and Cansbaai areas. Red tide reduces the oxygen levels in sea water, which in turn affects the quality of water used for cultivated abalone.

HOW THIS AFFECTED OUR BUSINESS

As a result of the storms experienced in the Western Cape during the financial year, our fishing vessels could not operate, which reduced the number of available fishing days. Although the number of fishing days were reduced, we experienced higher catching rates which meant that we were able to harvest an average of over 70% of our allocated quotas during the 2016/2017 fishing season.

The red tide did not have any major effects on the growth rate of our animals nor any significant mortalities at our abalone farm.

Future outlook

We anticipate extreme weather conditions to continue over the Western and Eastern Cape regions as a result of climate change. The weather conditions have been taken into account in the preparation of our catch plans for the fishing operations. At present the Premier Group has sufficient capacity to catch its allocated quotas at a reduced number of fishing days.

Management anticipates that the red tide phenomena will continue to occur during the summer months. The Premier Group employed the services of veterinarians and a top marine biologist who developed standard practices for the businesses to use and manage our animals during red tide, thus ensuring that we have minimal mortalities and minimal effects on animal growth rates.





Regulatory Environment

The Department of Agriculture, Forestry and Fisheries ("DAFF") undertook a process of accepting and adjudicating applications for medium- to long-term fishing rights ("FRAP2015/2016") in the following fishing sectors:

- · West Coast rock lobster (nearshore and offshore);
- Hake inshore trawl;
- Horse mackerel;
- · Patagonian toothfish;
- Large pelagics;
- Abalone; and
- Seaweed

Adjudication has been completed and the final lists have been published for:

- · Hake inshore trawl;
- · Horse mackerel;
- · Patagonian toothfish;
- · Large pelagics; and
- Seaweed.

Adjudication has been completed and provisional lists have been published for:

West Coast rock lobster nearshore and offshore.

Adjudication is still in progress for:

Abalone

HOW THIS AFFECTED OUR BUSINESS

The Premier Group submitted fishing rights applications for West Coast rock lobster offshore ("WCRL"), horse mackerel and hake inshore to DAFF in February 2016. The Premier Group was successful in its application for horse mackerel and was awarded a quota which is equivalent to 1,8% of the total allowable catch ("TAC"). The Premier Group is a new applicant for the horse mackerel fishing sector. The Premier Group was included in the provisional list of successful applicants for WCRL and has provisionally been awarded a quota which is equivalent to 7,39% of the TAC.

Future outlook

We continue to structure the Premier Group in a way that will provide us with the best opportunities for being awarded fishing rights.

The Premier Group awaits the final list of successful applicants for WCRL from DAFF, who indicated that the final list is expected to be published by 30 November 2017.

The Premier Group anticipates a favourable outcome in its WCRL application.





OUR STRATEGY

Our aim as the Premier Group is to deliver sustainable growth and value for our stakeholders. The Premier Group experienced strong growth in revenues and earnings before interest, tax, depreciation and amortisation ("EBITDA") over the past five years. The Premier Group formulated a strategic growth plan in 2015, referred to as "Vision 2020 Vision". In terms of our Vision 2020 Vision strategic growth plan formulated in 2015, the main focus is doubling our revenue and EBITDA by the end of the 2020 financial year through both organic growth and the acquisition of companies which are a strategic fit to the Premier Group as a whole. The Premier Group is in its third year of its strategic growth plan and is well-positioned to achieve its Vision 2020 Vision strategic goals and objectives.

Strategic objectives	Strategic actions
DOUBLE REVENUE TO R800 MILLION BY 2020 FROM CURRENT REVENUE OF R400 MILLION (2017)	 Expansion of the abalone farm Investing in a fishmeal plant Procurement and trading of other fish species Acquire another fishing company
GROW EBITDA TO R190 MILLION BY 2020 FROM CURRENT EBITDA OF R70 MILLION (2017)	 Increase capacity utilisation of land- and sea-based assets Explore innovative fishing and production techniques Improve catch plans to increase catch rates Further introduce solar technology with the expansion at the abalone farm to reduce energy costs Implemented shared services initiatives in human resources, information technology, procurement and sales
SECURE OUR SUSTAINABILITY IN THE LONG-TERM (FISHING QUOTAS)	 Maintain a Level 2 B-BBEE status Ensure compliance with laws and regulations applicable to the fishing industry Comply with the listings requirements of the JSE Create job opportunities through community partnership - fish meal plant, abalone farm and the lobster operations Support initiatives to improve health and education in communities Continue to develop a plan to measure and reduce our carbon footprint Ensure compliance with all environmental, health and safety regulations

..... Enablers

34

KPIs Delivery in 2017 Short to medium-term pipeline • Increase revenue by 20% annually Commenced construction at the • 150 tons additional production capacity is expected to be installed abalone farm Increase EBITDA by the end of the 2018 financial Increased abalone spat List the company in the short to production with the expansion medium-term • Continue with the abalone farm of our hatchery Increase production output of the Revenue increased to abalone farm from 120 to 300 tons R411 million from R402 million Complete construction of an by 2020 in the prior year additional hatchery Commence fishmeal production in Further increase abalone spat accordance with the plan by 2020 production Increase the volume of the outside quota holder's fish by 10% annually • Control the full value chain of the A fully functional canning facility Implemented centralised procurement for the entire constructed at our abalone farm pelagic operation by 2020 **Premier Group** by March 2018. In-house canning Control the full value chain of the to commence from April 2018 abalone operation by 2020 EBITDA increased to R83 million from R79 million Further installation of solar plants Improve catch rates by 10% by through a phased approach Continued to drive an efficient 2018 cost base Maintain overhead costs and drive efficiencies • Retain Level 2 B-BBEE status Fully operational in-house clinic • 50 new jobs created at our abalone farm by the end of 2018 at our abalone farm Create 100 new jobs at the financial year fishmeal plant by 2020 Zero fatalities or injuries at our Acquisition of small- to mediumfacilities Create 100 new jobs at the abalone sized fishing companies farm by 2020 Ensured full compliance with all regulatory requirements • Continuous growth of outside In-house health clinics quota holders • Listed the company in March implemented at key operational 2017 Maintain zero fatalities and injuries Full compliance with all laws and regulations • Optimal organisational structure and capable employees

• Diverse fisheries portfolio which can be leveraged to drive growth

Collaboration with other fishing companies and small quota holders to drive growth

· Optimal capital structure to fund expansions

OUR KEY PERFORMANCE INDICATORS

Our Vision 2020 Vision strategic plan set a number of key performance indicators (KPIs) and targets for the Premier Group to achieve its strategic objectives. The targets are monitored continuously and revised should the need occur to take into account the global economy, market trends and environmental matters that could materially impact our strategic plans.

Listed below are our KPIs, our target and our performance against these targets:

FINANCIAL KPIs	TARGET	2017	2016	2015
Revenue growth	12%	2%	15%	11%

Performance against the KPI:

Revenue increased by 2% to R411 million from R402 million in the prior year primarily due to increased sales volumes in the lobster, squid, processing and marketing divisions. The main reason for the Premier Group not meeting the revenue growth target is due to the strengthening of the ZAR against the USD and Euro as well as lower than expected catches of pilchards in the current year.

EBITDA growth 4% 4% 27%	EBITDA growth	4%	4%	27%	(2%)
-------------------------	---------------	----	----	-----	------

Performance against the KPI:

The Premier Group met its EBITDA target for the year which increased by 4%. The Premier Group increased savings in energy costs at the abalone farm's operation as a result of the solar energy implemented in the prior year as well as savings in processing costs as a result of the completion of the live abalone packing facility on the farm. Good catch rates were achieved in the squid and lobster division which contributed to the improved margins and ultimately in EBITDA growth.

OUR MATERIAL MATTERS

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

Material matters impacting our strategy

The material matters impacting our strategy are those matters which could substantially affect our ability to execute on our strategic plans.

The following material matters have been identified:

VOLATILE MACRO-ECONOMIC ENVIRONMENT

According to Statistics South Africa ("STATS SA)", the South African economy moved into a recession with a decrease of 0,7% in the Gross Domestic Product (GDP) during the first quarter of 2017, following a 0,3% contraction in the fourth quarter of 2016. Furthermore, Standard & Poor's downgraded the credit rating for South Africa to BB+ with negative outlook. The ZAR/USD spot rate was also volatile during the year. However, there was an appreciation in value as compared to the prior year.

IMPACT ON OUR ABILITY TO CREATE VALUE

The appreciation of the ZAR against the USD affected our ability to increase revenue.



HOW WE RESPONDED

We aggressively implemented cost saving strategies to derive extra margins but with less revenue.

UNCERTAIN REGULATORY ENVIRONMENT

The long-term fishing rights for WCRL were to have been awarded to successful applicants by DAFF during the year under review. However, as at the financial year-end only a provisional list of successful applicants were published by DAFF

IMPACT ON OUR ABILITY TO CREATE VALUE

The allocation of the WCRL rights affected our ability to engage small quota holders in order for us to collaborate with them in terms of processing and marketing their fish, which ultimately affected our revenue and margins.



HOW WE RESPONDED

We continued to engage with existing rights holders as well as with communities with a majority of WCRL applicants and marketed our services. Our presence within the communities ensured that when the quotas are eventually allocated, we stand a greater chance of signing up with the small quota holders.





OUR GOVERNANCE

Sound corporate governance is the foundation of our business and is pivotal in delivering long-term value to our stakeholders. We have a positive association with all of our stakeholders and we are committed to the highest ethical standards and business integrity in all our activities.

Our governance framework

Our board of directors is the principle decision-maker and is supported by the various sub-committees who reviews the Group's governance structures and processes to ensure that the Group is governed in accordance with sound corporate governance practices, codes and standards, internal controls and that there is effective risk and regulatory compliance management. The Board ensures that the Group is led ethically and that the Group is seen to be a good corporate citizen.

The Board plays a pivotal role in strategic planning and established clear benchmarks to measure the strategic objectives of the Group. The Board ensures that its sound governance framework will enhance good corporate governance, improve internal controls and improve the Group's performance. In carrying out the Group's strategic objectives, the Board is assisted by various sub-committees, including the executive committee, with clear terms of reference to assist in discharging its responsibilities.

The main focus of the Group's governance framework is as follows:

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

STATEMENT OF COMMITMENT

The Board is committed to the highest standards of business integrity and has adopted an integrated approach to managing the Group to ensure that the governance structure actively identifies, communicates and responds to material matters that impact on the Group's capacity to create stakeholder value. The Board believes that it has addressed all material matters appropriately and that it fairly represents the integrated performance of the Group.

The Board continuously reviews the Group's governance structures and processes to incorporate and accommodate new corporate developments, to facilitate effective leadership, sustainable corporate citizenship in support of the Group's strategy and to reflect national and international corporate governance standards, developments and best practices. (King IV^{TM} – Principle 6)

The Board is satisfied that effective controls have been implemented and complied with throughout the Group and that the Company fully complies with the spirit and form of the continuing obligations of the Listings Requirements of the JSE, King Code of Governance Principles for South Africa (King IV™) as well as the Companies Act.

APPLICATION OF AND APPROACH TO KING IV™

Following the launch of the King IVTM Report on Corporate Governance for South Africa 2016 (King IVTM), the Board adopted King IVTM during the year under review. In supporting King IVTM, the Board recognises that it is the custodian of corporate governance and ensured that directors:

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

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

Refer to the Company's website www.premierfishing.co.za for a full report on the application of King IV^{TM} .

SHAREHOLDERS Board of directors Assurance provided by: 1. External auditor 2. Internal auditor 3. Executive management Social, **Audit and risk** Remuneration ethics and **Nomination Investment** committee committee transformation committee committee committee **Executive directors:** Risk 1. Chief executive office management 2. Chief financial officer 3. Sales & marketing director **Executive** management committee **Operational management** Financial management

Governance and ethics

The governance structure supports the Group's strategic focus areas.

Objective	Stakeholders	 Value creation for all stakeholders and sustainable development. Ensures an ethical culture and effective leadership is maintained with positive outcomes. Ensures a stakeholder-inclusive approach to balance the needs and interests of material stakeholders in the best interest of the Company.
Scope	Company	 Ensures that the Company operates within the triple context, governs risks and opportunities, strategy as well as sustainable development in a way that supports the Company achieving its strategic objectives.
Character	Internal system	 Ensures that proper internal controls are in place and approves policies, plans, oversees, monitors and ensures accountability. Ensures that the assurance services and functions enable an effective control environment to support the integrity of information for internal and external decision-making. Ensures that Company remunerates fairly, responsibly and transparently in order to promote the achievement of the strategic objectives and positive outcomes in the short, medium- and long-term.
Mechanism	Conformance	 Continues to govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
Direction	Management	 The Board sets and steers the strategic direction of the Company as is the focal point and custodian of corporate governance and ensures accountability for the Company's performance. The Board oversees and monitors the implementation and execution by management.
Disclosure	Financial statements	 Audited financial statements in terms of the International Financial Reporting Standards. Integrated Report.

Insurance Information systems



1 INDEPENDENT NON-EXECUTIVE CHAIRMAN Reverend Dr Vukile Charles Mehana (64)

BTh (Rhodes University), AMP (INSEAD Business School, France), Certificate on Public Enterprises (National University of Singapore), MBA (De Montfort University, UK), DPhil (University of Johannesburg), ordained minister of the Methodist Church of Southern Africa, Adjunct Professor of UCT: Graduate School of Business and Top Management Certificate on Public Enterprise (National University of Singapore), DBA, Honoris Causa (Commonwealth University).

Appointed: 1 February 2017 **Nationality:** South African

Board sub-committee: Chairman of the investment committee; Chairman of the nomination committee; social and ethics committee and remuneration committee

Reverend Dr Mehana is the Chairman of the LR Management Group (Pty) Ltd. African Equity Empowerment Investments Ltd and sits on the Boards of various companies as well as being an active leader in non-profit organisations.

Major directorships: African Equity Empowerment Investments Ltd, LR Management Group (Pty) Ltd (Chairman), Mazwe Financial Services (non-executive Chairman), Makana Investment Corporation (Pty) Ltd (non-executive director representing the Ex-Political Prisoners Trust), espAfrika (Pty) Ltd (non-executive Chairman), Community Schemes Ombud Service (CSOS) (Chairman), Sizwe Africa IT Group (Pty) Ltd (non-executive Chairman), Mustek Ltd (non-executive Chairman), African Equity Empowerment Investments Ltd (non-executive Chairman) and Chairman of the South African Police Services Transformation Task Team.

2 CHIEF EXECUTIVE OFFICER Mogamat Samir Saban (40)

BCom (UCT) BCom (Hons) CTA CA(SA) **Appointed:** 1 February 2017 **Nationality:** South African

Board sub-committee: Investment

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

NON-EXECUTIVE DEPUTY Chairman Khalid Abdulla (52)

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

Appointed: 1 December 2008
Nationality: South African
Board sub-committee: Investment

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

Mr Abdulla has been appointed to and serves on various boards, committees and NGOs. He has over 30 years' commercial experience related to fishing, technology, health, biotherapeutics, events and tourism as well as financial services.

He is a regular invitee and participant at the World Economic Forum in Africa as well as the Summer Davos in China. He was also a speaker for the Department of Trade and Industry at conference in the United Kingdom and Germany for "Investing into South Africa".



Mr Abdulla was the recipient of many awards, some of which includes being the overall winner of the Inaugural South African Vision 2030 Future Maker: Driver for Change 2017 Award and the overall winner by the Oliver Empowerment Awards as SA's most Empowered Business leader of the year 2017. He was voted one of the best CEOs in the country in 2016 by Financial Mail and was also ranked amongst the 10 best executives of 2015 by Financial Mail. He was the recipient of the prestigious Black Business Executive Circle (BBEC)/Absa Bank Kaelo Award (2010), for giving guidance and leadership to grow junior and middle management.

Major directorships: African Equity Empowerment Investments Ltd, BT Communications South Africa (Pty) Ltd (BT), Saab Grintek Defence (Pty) Ltd, Health System Technologies (Pty) Ltd, espAfrika (Pty) Ltd, AYO Technology Solutions Ltd, Bioclones (Pty) Ltd and Premier Fishing SA (Pty) Ltd, Puleng Technologies (Pty) Ltd, Kalula Communications (Pty) Ltd t/a Headsets Solutions and Orleans Cosmetics (Pty) Ltd.

4 CHIEF FINANCIAL OFFICER Isaiah Tatenda Bundo (35)

BCom (UCT) PGDA CA(SA) **Appointed:** 1 February 2017 **Nationality:** Zimbabwean **Board sub-committee:** N/A

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

5 SALES AND MARKETING DIRECTOR Rushaan Isaacs (38)

University of Stellenbosch Management

Development Programme
Appointed: 1 February 2017
Nationality: South African
Board sub-committee: N/A

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

KEY: | Executive Director | Non-executive Director

OUR EFFECTIVE LEADERSHIP continued

6 NON-EXECUTIVE DEPUTY CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR Salim Young (60)

BProc, LLB (UWC), LLM (Tulane University, USA) **Appointed:** 1 February 2017 **Nationality:** South African

Board sub-committee: Chairman of the Audit and Risk committee; Chairman of the Remuneration committee; Nomination committee; Investment committee

Mr Young is an experienced business executive and corporate lawver and is a former director of Webber Wentzel (formerly Mallinicks Inc.). Mr Young recently retired after a very successful 12 years as an executive director on the Board of British American Tobacco SA. situated in Stellenbosch. During this time Mr Young also served as the appointed South African representative of the London-based BAT plc whose secondary listing on the JSE ranks as the largest company by market capitalisation. Mr Young maintains board positions in a number of other companies and significant trusts. He holds a postgraduate master's degree (LLM) in International Commercial Law from Tulane University in the United States as well as Certificates in Law from Georgetown University and Harvard University, respectively.

He is one of the founders of Unipalm Investments and chairs the remuneration committee.

Major directorships: African Equity Empowerment Investments Ltd, Unipalm Investments Ltd, Independent Media (Pty) Ltd, Loot (Pty) Ltd, Insights Publishing, BAT Signature Trust.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Rosemary Phindile Mosia (49)

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

Appointed: 1 February 2017 **Nationality:** South African

Board sub-committee: Audit and Risk

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

She was also involved in multiple roles including Internal Audit, Forensic Audit, Budget Management, Credit Risk Management, Operational Management, for the same financial services unit. Her experience in Audit was acquired over a six years period. She managed Johannesburg office and other smaller satellite branches.

From 2000 to 2008, she headed, at a Regional/Corridor level, the financial services unit of a large state owned entity.

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

INDEPENDENT NON-EXECUTIVE DIRECTOR Takudzwa Tanyaradzwa

Takudzwa Tanyaradzwa Hove (35)

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

Appointed: 1 February 2017 **Nationality:** Zimbabwean **Board sub-committee:** Audit and risk

Board sub-committee: Audit and risk committee; investment committee

Mr Hove worked for African Equity Empowerment Investments Ltd from April 2009 until September 2013 and held several positions, including Group financial manager and corporate finance executive. He is very knowledgeable of the Group's diverse operations, having worked closely with the operational heads of the Group's businesses. He is currently an executive director of Independent Media (South Africa) (Pty) Ltd and is also responsible for mergers and acquisitions.

Major directorships: Premier Fishing SA (Pty) Ltd, African Equity Empowerment Investments Ltd, Ayo Technology Solutions Ltd, 3 Laws Capital (Pty) Ltd, Condé Nast Independent Magazines (Pty) Ltd, Allied Publishing Ltd, Allied Media Distributors (Pty) Ltd.

INDEPENDENT NON-EXECUTIVE DIRECTOR Aziza Begum Amod (55)

Appointed: 13 January 2014 **Nationality:** South African

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

Ms Amod has been featured and published in numerous articles in relation to business and women entrepreneurs. She is a well-known philanthropist supporting a number of NGOs, outreach programs and serves on the Board of trustees of numerous philanthropic associations.

She currently serves as a director and trustee on various business entities and trusts.

Major directorships: African Equity Empowerment Investments Ltd, Health System Technologies (Pty) Ltd, AYO Technology Solutions Ltd.

NON-EXECUTIVE DIRECTOR Cherie Felicity Hendricks (54)

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

Appointed: 6 July 2009 **Nationality:** South African

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

Major directorships: African Equity
Empowerment Investments Ltd, Health
System Technologies (Pty) Ltd, Premier
Fishing SA (Pty) Ltd, Ribotech (Pty) Ltd, AYO
Technology Solutions Ltd, espAfrika (Pty)
Ltd, Independent Newspapers (Pty) Ltd,
Bioclones (Pty) Ltd, Independent Media
(Pty) Ltd, Conde Naste Magazines
(Pty) Ltd, Sekunjalo Independent Media
(Pty) Ltd, Puleng Technologies (Pty) Ltd,
Kalula Communications (Pty) Ltd t/a
Headsets Solutions, African News Agency
(Pty) Ltd and Orleans Cosmetics (Pty) Ltd.

11 INDEPENDENT NON-EXECUTIVE DIRECTOR Clifford Leonard van der Venter (52)

BCom (Unisa) MBA (UCT) **Appointed:** 1 February 2017 **Nationality:** South African **Board sub-committee:** N/a

Expertise: Mr van der Venter is a seasoned professional with more than 30 years' experience in the corporate world. He completed a BCom degree (Unisa – 1987) as well as an MBA (UCT – 1993).

He worked in the Financial Services industry (Old Mutual) during the first seven years of his career, doing mainly actuarial and consulting work in employee benefits and investments.

Mr van der Venter joined Caltex (now Chevron) in 1990 and held numerous Human Resources positions culminating in his appointment as HR director for sub-Saharan Africa in 1999. He subsequently held HR director positions at Unilever SA, Anglo American (seconded to Kumba Iron Ore) and British American Tobacco until June 2014 when he decided to take a career break. These roles have honed his skills as an HR professional but have also broadened his experience as an Executive Board member of these major multi-nationals. Over the last two years, he has operated as an independent Strategy and HR Consultant.

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

12 INDEPENDENT NON-EXECUTIVE DIRECTOR Arthur William Johnson (49)

BA Law (UCT), BCom (UCT), CFA **Appointed:** 1 February 2017 **Nationality:** South African **Board sub-committee:** Investment and Audit and Risk

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

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

13 INDEPENDENT NON-EXECUTIVE DIRECTOR Lavendra Sandrigasen Naidoo (48)

Bachelor of Social Science (UCT) **Appointed:** 1 February 2017 **Nationality:** South African **Board sub-committee:** Investment

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

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

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

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

He is currently a general business consultant.

14 INDEPENDENT NON-EXECUTIVE DIRECTOR Fredelaine Elna Cindy Brand (28)

LLB UWC

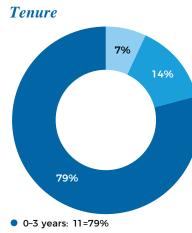
Appointed: 1 February 2017 **Nationality:** South African

Board sub-committee: Social and Ethics and Transformation

and Transformation

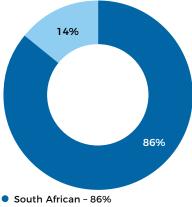
Expertise and experience: Ms Brand completed her law degree in 2013. She has been employed at Fairdeal Auctioneers from 2009 to 2013. She has assisted the Stellenbosch Justice Centre from 2014 to 2016. She also mentored students as a reading facilitator at Help2Read from February 2013 until December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

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



0-3 years: 11=79%3-5 years: 1=7%6-8 years: 2=14%

Demographics



South African - 86%International - 14%

CORPORATE GOVERNANCE

Our board powers and procedures

The Company is controlled by the Board of directors. The Board assumed ultimate responsibility and accountability for the performance and affairs of the Group and ensured effective leadership on an ethical foundation. It serves as the focal point and custodian of corporate governance for the Group. The Board sets and steers the direction of the Group to ensure that it brings informed, independent and effective judgment and leadership on all material decisions reserved for the Board. It ensures that strategy, risk, performance and sustainable development issues are effectively integrated and appropriately balanced. (King IVTM - Principles 1, 2, 3, 4 and 6)

The Board believes that diversity is an essential component for sustaining a competitive advantage. Directors are chosen for their corporate leadership skills, experience, and expertise and gender diversity. The Board believes that the current mix of knowledge, skill and experience meets the requirements to lead the Group effectively. The Board comprises nine independent non-executive directors, two non-executive directors, three executive directors and comprises of five women and nine men, who determine the standards and policies to ensure that the highest quality of corporate governance is maintained within the Group.

The independent non-executive directors are considered to have the necessary skill and experience to bring balanced and independent judgement to the Board. While all directors have equal responsibility for monitoring the Group's affairs, it is the role of the chief executive officer and the executive management team to run the business within the parameters prescribed by the Board and to produce clear, accurate and timely reports, thus enabling the Board to make informed decisions. (King IV^{TM} – Principles 7 and 8)

Through the contributions of all directors, Premier Fishing has established a suitable balance of power and a solid framework for the examination, calculation and management of risk. The Board has a policy that allows for the clear division of responsibilities to ensure a balance of power and authority. This means that no one individual has unlimited powers when it comes to decision-making. The Board met three times during the year, to review the financial and operational performance of the Group and to consider issues that may have a significant impact on the Group. (King IVTM - Principles 1, 8 and 10)

The Board and its committees continue to monitor the implementation of compliance to policies and processes and improve upon them and to mitigate the risk of non-compliance with all applicable laws. (King IV™ – Principle 11)

The Board regularly reviews the Group's governance structures and processes to ensure that they support effective and ethical leadership, good corporate citizenship and sustainable development and to ensure that they are applied in the best interests of the Group's stakeholders. The Group has the necessary policies and processes in place to ensure that all subsidiaries adhere to Group's requirements and governance standards. The Board is involved in the decision-making of its subsidiaries on material matters and is satisfied that its delegation of authority framework contributes to role clarity and effective exercise of authority and responsibilities . (King IV™ – Principle 1, 2 and 3)

The Board has full and unrestricted access to all Company information, records, documents and property and monitors the non-financial aspects relevant to the businesses of the Group. The Board recognises its responsibility to report and communicate all matters of significance to all of its stakeholders and to ensure effective communication between internal and external stakeholders.

The Company's Memorandum of Incorporation (MOI), the Companies Act, King IV™ and the JSE Listings Requirements set out the directors' responsibilities, rights and obligations. Directors are required to comply with all relevant legislation and required to maintain strict confidentiality of all information relating to the business of the Company. The conduct of directors shall be consistent with their duties and responsibilities to the Company and indirectly to the shareholders.

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

THE ROLE OF THE BOARD

- Assumes ultimate responsibility and accountability for the performance and affairs of the Company.
- Provides effective leadership on an ethical foundation.
- Oversees the Company's values, corporate governance and ensures ethics are managed effectively.
- Ensures accountability for organisational performance by means of, among other, reporting and disclosures.
- Ensures that the Company complies with all the relevant laws, regulations and codes of business practice.
- Serves as the focal point and custodian of corporate governance in the organisation and the Board's primary governance role and responsibilities include steering the company and setting its strategic direction, with regard to both the Company's strategy and the way in which specific governance areas are to be approached, addressed and conducted.
- Oversees, monitors, approves and reviews corporate strategy, including Company policies, business plans, annual budgets and appropriate systems.
- Ensures that the Company is known to be a responsible corporate citizen.
- Monitors and maintains a risk management framework and ensures that key risk areas identified are monitored.
- Overseas and monitors the implementation and execution by management and finally ensures that there is accountability for the performance in respect of each of the governance areas through reporting and disclosure.

Ethical and responsible leadership

The Board provides effective leadership based on a principled foundation and that the Group subscribes to the highest ethical standards. Responsible leadership, instilled by the values of responsibility, transparency, accountability and fairness, has been a defining characteristic of the Company since inception. The Group's fundamental objective has always been to do business ethically while building a sustainable Company that recognises the short and long-term impact of its activities on the economy, society and the environment

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

Respected corporate citizenship

The Board and management recognise that Premier Fishing is an economic entity and also a corporate citizen and that it has a social and moral standing in society with all the attendant responsibilities. Further information is provided in our corporate social investment report. (King IV^{TM} – Principle 3)

CORPORATE GOVERNANCE continued

COMPOSITION OF THE BOARD AND APPOINTMENT OF DIRECTORS

The Board recognises and embraces the benefits of a diverse board. Diversity is core and an essential component for sustaining a competitive advantage. The nomination committee makes recommendations to the Board for the appointment of new directors. Directors are chosen for their business skills and business expertise. The Board is diverse in terms of race, gender, composition and academic backgrounds and business skills. (King IVTM – Principle 7)

The committees established by the Board play an important role in enhancing standards of governance, ethics and effectiveness within the Group. The terms of reference of the Board and its committees are reviewed and amended as required in terms of legislation annually.

In the Board's opinion, all directors have the relevant knowledge, skills and experience to make a meaningful contribution to the business of the Company. The independent non-executive Chairman together with the remuneration committee evaluates the performance of the executive directors annually.

The nomination committee evaluates the independence of the non-executive directors on an annual basis.

Appointments to the Board are formal and transparent and a matter for the Board as a whole. The Board believes that as long as non-executive directors remain completely independent of management and relationships that could significantly affect their decisions and advice and are of the right calibre and integrity, they can perform the required function of looking after the Company's interests.

The Board specifically considers the independence of directors and their other commitments when they are first appointed, as well as annually, or at any other time when a director's circumstances change and warrant re-evaluation. This is done to determine whether the director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily. Should the nomination committee be of the view that a director is over- committed or has an unmanageable conflict, the Chairman will meet with that director to discuss the resolution of the matter, to the satisfaction of the committee. (King IV^{TM} – Principle 7)

In terms of the MO of the Company, no director shall be appointed for life or for an indefinite period and the directors shall rotate in accordance with the provisions set out in the MOI

All of the directors shall retire from office provided that, if a director is appointed as an executive director or an employee of the Company in any other capacity, he or she shall not, while he or she holds that position or office, be subject to retirement by rotation and he or she shall not in such case be taken into account in determining the rotation or retirement of directors.

The Board is of the view that all the non-executive directors exercise independent judgment at all times with respect to material decisions of the Board. (King IV^{TM} – Principle)

OVERVIEW OF THE BOARD

Number of Board members	14
Number of Board members who are non-executive directors	10
Number of Board members who are deemed to be independent	9
Number of Board members who are deemed HDSA	11
Number of Board members who are women	5
Average age of directors (years)	47
Independent Board Chairman	Yes
Number of prescribed officers	1

EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

The Board and committees are evaluated annually by its members and improvement in areas are identified and addressed appropriately to ensure effective functioning. Ever-changing issues facing companies make it essential to look at the agenda items of the Board to ensure that it stays aligned with good governance and ethics, meets current needs and best practices and matters of strategic importance. The independence of directors and their other commitments are also evaluated. The results of these evaluations are not disclosed in the integrated report. The non-executive Chairman concluded that the Board is functioning well and noted minor areas for improvement. The independent nonexecutive Chairman and remuneration committee evaluates the performance of the executive directors annually. The nomination committee evaluates the independence of the non-executive directors on an annual basis. (King IV™ - Principles 7 and 9)

The Board appraises the performance of the chief executive officer, the chief financial officer and the sales and marketing director on an annual basis and identifies areas of improvement which are appropriately addressed. The Board confirmed that they were happy that the executive directors carried out their duties with due skill and diligence and in the best interest of the Company for the period under review.

INDEPENDENT NON-EXECUTIVE CHAIRMAN

The independent non-executive Chairman of the Board is Reverend Dr Vukile Charles Mehana. For the period under review, the independent non-executive Chairman ensured that the Board functioned efficiently and provided guidance and overall leadership for the Board and the Group.

The independent non-executive Chairman:

- ensured that board members were fully involved and informed of any business issue/s on which a decision had to be made;
- ensured the integrity and effectiveness of the Board and its committees;
- ensured that executive members played an effective management role and participated fully in the operation and governance of the Company;
- ensured that board members exercised independent judgment, acted objectively and that relevant matters were placed on the agenda and prioritised properly;
- availed himself to the chief executive officer between board meetings to provide counsel and advice; and
 - ensures that the performance of the chief executive officer was evaluated regularly. (King IV™ - Principle 9)

Our executive team CHIEF EXECUTIVE OFFICER

Mr Mogamat Samir Saban is the chief executive officer (CEO) of the Group and is an executive director appointed by the Board.

During the year under review, he was responsible for leading the implementation and execution of the Group's Vision 2020 Vision strategy, and operational planning. He served as the chief link between management and the Board and is accountable to the Board. He reviewed the annual business plans and budgets that support the Group's longterm strategy and made recommendations thereon. He was responsible for aiding the achievement of performance goals, objectives and targets as well as maintaining an effective management team and management structures. He ensured that the appropriate policies were formulated and implemented to guide activities across the Group and ensured effective internal organisation and governance measures were deployed. A succession plan is in place for the CEO in the event of unplanned leave or planned resignation. (King IV™ - Principle 10)

CHIEF FINANCIAL OFFICER

Mr Isaiah Tatenda Bundo is the chief financial officer (CFO) of the Group and is an executive director.

During the year under review he assisted the Board to protect and manage the Company's financial position with the assistance of the audit and risk committee. He prepared the annual plans and budgets that support the Group's long-term strategy and assisted the CEO in the achievement of thee Group's performance goals, objectives and targets. He ensured that the financial statements are fairly presented and contained all the required disclosures. He ensured that appropriate internal controls and regulatory compliance policies and processes are in place and that non-financial aspects relevant to the business of the Company were identified, addressed and managed.

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

SALES AND MARKETING DIRECTOR

Mrs Rushaan Isaacs is responsible for all the sales and marketing of the Group and is an executive director.

During the year under review she was responsible for securing markets for the Group's products, customer relations and general marketing of the Group's products. She was also responsible for leading the team which secured contracted quota from other quota holders.

PRESCRIBED OFFICER

Mr Mogamat Samir Saban is the prescribed officer. The prescribed officer is required to perform his function and exercise his duties to the same standard of conduct applicable to all directors and is subject to the same liability provisions applied to directors. The prescribed officer is not remunerated separately for this function.

During the year under review he exercised executive control over the management of the of the subsidiaries in the Group and regularly participated in the exercise of general executive control of the business units and activities of the Group.

The prescribed officer is not remunerated separately for this function.

COMPANY SECRETARY

Miss Nobulungisa Mbaliseli was appointed as the company secretary effective 27 January 2017.

The company secretary is accountable to the Board. During the year under review, the company secretary:

- guided the directors in terms of their duties, responsibilities, powers, training and induction of the responsibilities and liabilities under the Companies Act;
- made the Board aware of any law relevant to and/or affecting the Company;
- prepared board packs and recorded proper detailed minutes of meetings;
- ensured proper and orderly conduct at all board and committee meetings;
- disclosed corporate actions and SENS announcements; and
- ensured compliance with the JSE Listings Requirements and the Companies Act.

The Board has considered the competence, qualifications, experience and performance of the company secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the remuneration committee of the Company regarding the company secretary's qualifications, experience and performance.

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

BOARD COMMITTEES

The Board has established a number of committees to assist it in performing its duties and to fulfil its effective decision-making processes. Specific responsibilities have been formally delegated to the committees, with defined terms of reference to promote independent judgement and assist with the balance of power.

COMMITTEE	COMPOSITION	MEMBERS	NUMBER OF MEETINGS PER YEAR	BOARD APPROVED CHARTER	INVITEES
Audit and Risk	Three independent non-executive directors	Takudzwa Tanyaradzwa Hove (Chairman) Arthur William Johnson Rosemary Phindile Mosia	Two	Yes	Auditors Mogamat Samir Saban Isaiah Tatenda Bundo Khalid Abdulla
Remuneration director	One executive director and three independent non-executive directors	Salim Young (Chairman) Khalid Abdulla Aziza Begum Amod Rev Dr Vukile Charles Mehana	One	Yes	Mogamat Samir Saban
Social and Ethics	Two independent non-executive directors and one non-executive director	Aziza Begum Amod (Chairman) Cherie Felecity Hendricks Fredelaine Elna Cindy Brand	Twice	Yes	Faiyad Abrahams Mogamat Samir Saban Isaiah Tatenda Bundo Nicolette Isaacs
Investment	One executive, one non-executive and two independent non-executive directors	Khalid Abdulla (Chairman) Mogamat Samir Saban Arthur William Johnson Lavendra Sandrigasen Naidoo	Three	Yes	Abdul Malick Salie, Rev Dr Vukile Mehana
Nomination	Two independent and one non-executive directors	Rev Dr Vukile Charles Mehana (Chairman) Khalid Abdulla Salim Young	a One	Yes	Mogamat Samir Saban

The company secretary, Miss N Mbaliseli is the secretary to all of the above committees.

The auditors have unlimited access to the audit and risk committee, ensuring independence is not compromised in any way.

Board committee members are authorised to obtain independent outside professional advice when necessary.

CORPORATE GOVERNANCE continued

Statutory duties

The audit and risk, remuneration, social, and ethics and transformation, investment and, nomination and committees are constituted as statutory committees of the Premier Fishing Board in respect of their statutory duties in terms of the Companies Act and King IV^TM and are accountable to the Board and shareholders. These are committees of the Board in respect of all other duties the Board assigns to them and have been delegated powers to perform their functions in accordance with all regulatory requirements including the Companies Act and King IV^TM .

Terms of reference

All committees function according to board-approved terms of reference as contained in each committee's charter and/ or policy. Each committee adopted its policy/charter with the terms of reference approved by the Board. Each committee reviews its policy on an annual basis to ensure it remains current and updated.

All committee charters and polices were reviewed during the year with changes being made to take into account new regulatory requirements and King IV^{TM} to ensure best governance practices. These charters and polices were formally tabled at each committee meeting and adopted by the board of directors.

DIRECTORS' DETAILS

	EXECUTIVE (E) NON-EXECUTIVE	OVERALL ATTENDANCE OF BOARD AND	OVERALL ATTENDANCE	LENGTH OF SERVICE	
NAME	(NE)	COMMITTEE MEETINGS	OF BOARD	(YEARS)	AGE (YEARS)
Mogamat Samir Saban	E	MALE	3/3	< 1*	40
Isaiah Tatenda Bundo	E	MALE	3/3	< 1*	34
Rushaan Isaacs	E	FEMALE	2/3	<]*	37
Reverend Dr Vukile Charles					
Mehana	NE	MALE	3/3	<]*	64
Khalid Abdulla	NE	MALE	3/3	8.5	52
Salim Young	NE	MALE	2/3	< 1*	60
Takudzwa Tanyaradzwa Hove	NE	MALE	3/3	< 1*	35
Rosemary Phindile Mosia	NE	FEMALE	3/3	<]*	49
Aziza Begum Amod	NE	FEMALE	3/3	3.5	55
Cherie Felicity Hendricks	NE	FEMALE	3/3	8	54
Clifford Leonard van der Venter	NE	MALE	3/3	< 1*	52
Arthur William Johnson	NE	MALE	3/3	< 1*	49
Lavendra Sandrigasen Naidoo	NE	MALE	3/3	< 1*	48
Fredelaine Elna Cindy Brand	NE	FEMALE	3/3	< 1*	28

^{*} The Company was listed during the current financial year, resulting in new appointments to the Board on 1 February 2017.

CONFLICT OF INTEREST

All directors of the Company and its subsidiaries including senior management are required to submit a list of their directorships and interests in contracts at each board meeting.

Directors are required to disclose their personal financial interests and those of persons related to them, in contracts or other matters in which the Company has a material interest. Where a potential conflict of interest exists, directors are expected to recuse themselves from the relevant discussions and decisions.

No director had a material interest in any significant contract with the Company or any of its subsidiaries during the year.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

The Board ensured that the Company complied with all the laws, codes, rules and standards including, but not limited to, the JSE Listings Requirements, King IV™, the Companies Act, Competition Law, legislative and environmental standards, consumer protection laws, employment legislation, international laws and legislation as well as compliance risk. The Board considered adherence to non-binding rules, codes and standards

The Board continually reviewed the compliance of legal, regulatory, codes and other standards and continually monitored the implementation of the legal compliance processes. Board policies and charters were updated in compliance with statutory, regulatory and legislative requirements. (King IV^{TM} – Principle 13)

ANNUAL FINANCIAL STATEMENTS

The directors are required by the Companies Act to maintain adequate accounting records and are responsible for the preparation of the annual financial statements based on appropriate accounting policies. The Group's financial statements are based on appropriate accounting policies as set out in the notes to the financial statements and are supported by reasonable and prudent significant judgements and estimates.

The external auditors are responsible for considering internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control systems.

The Board established formal and transparent arrangements with the external and internal auditors and ensured that timely and accurate disclosure was made of any information that would be of material importance.

The Board ensured that assurance services and functions enabled an effective control environment and that these support the integrity of information for internal and external decision-making and of the organisation's external reports.

The external auditors assessed whether the financial statements conform to IFRS, the JSE listings requirements and the Companies Act. The external auditors offered reasonable, but not absolute, assurance of the accuracy of the financial statements. Premier Fishing's management is responsible for the preparation of the financial statements. (King IV™ – Principle 15)

The Board is satisfied that the financial statements are fairly presented, contain proper disclosures and that regulatory compliance processes were followed in the preparation of the annual financial statements.

DEALINGS IN THE COMPANY'S SHARES

In terms of the JSE Listings Requirements, directors, officers and employees of the Company are not permitted to trade in the shares of the Company during closed periods, which commence at the end of the first six months of the financial year (end February) and financial year-end (end August) and during periods when the Company is trading under a cautionary announcement.

The company secretary will disseminate written notices to all directors and senior management throughout the Group informing them that dealing in Premier Fishing shares during the closed periods are prohibited.

Directors are required to seek the authority of the independent non-executive Chairman prior to dealing in shares of Premier Fishing. Accordingly, directors are not permitted to make use of internal Company information when deciding to deal in the Company's shares.

In accordance with the JSE Listings Requirements, the Board reinforces the Code of Conduct for insider trading. Directors are updated according to any changes in terms of the JSE Listings Requirements. All dealings in Company shares by the directors will be reported on SENS within 48 hours of the trade having been made.

CORPORATE GOVERNANCE continued

Communication

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

The deputy Chairman and CEO regularly communicated with major shareholders, institutional investors, analysts and the media during the period under review. The Group acknowledges the role of the media especially that of financial journalists and it endeavours to assist these role players as much as possible.

The Group encourages shareholders to attend the Group's inaugural annual general meeting (AGM), which provides them with an opportunity to raise concerns and ideas and to participate in discussions at the AGM. The Group publishes its financial results on SENS and shareholders are advised that a copy of the integrated report is available on the Company's website and at the registered offices of the Company. (King IVTM – Principle 16)

Corporate code of ethics and code of conduct

The Group subscribes to the highest levels of professionalism and integrity in conducting its businesses and dealing with all stakeholders. All employees are expected to share its commitment to high morals, ethical practices, the Company's values, moral conduct and legal standards.

The Board continues to provide effective leadership based on a principled foundation. The Group's leadership is characterised by the values of responsibility, accountability, fairness and transparency. One of our fundamental objectives has always been to do business ethically while building a Company that is sustainable, taking into account the short, medium-and long-term activities of the economy, society and the environment.

In executing its responsibilities, the social and ethics and transformation committee considered and monitored the Group's activities, having regard to legislation, human rights and prevailing practice in matters relating to social and economic development, including compliance with the 10 principles of the United Nations Global Compact and labour and employment activities. Refer to page 75 for the social and ethics and transformation committee report.

The Board recognises that the Company is an economic entity and a corporate citizen and has a social and moral standing in society with all the attendant responsibilities.

The Code of Ethics addresses corruption, bribery, conflicts of interest and human rights and governs the Group's approach to ethical behaviour and fair business practice. All directors and employees are aware of the Code of Ethics and Code of Conduct. Through our policy, "The Way We Work" the Group subscribes to a code of ethical and moral behaviour that requires total transparency for all stakeholders. We pride ourselves on fairness and honesty and on our intolerance to theft and dishonesty. (King IVTM - Principles 1, 2, 3 and 16)

Reporting unethical behaviour

Employees and stakeholders are able to report any breach of the Code of Ethics via the Group's anonymous reporting facility. During the period under review there were no reported allegations of unethical behaviour to the reporting facility.

REPORT OF THE AUDIT AND RISK COMMITTEE

Statement from the Chairman of the audit and risk committee

The audit and risk committee is constituted as a statutory committee of the Board of Premier Fishing in respect of its statutory duties in terms of the Companies Act and King IV^{TM} and is accountable to both the Board and shareholders. It is a committee of the Board in respect of all other duties the Board assigns to it and has been delegated extensive powers to perform its functions in accordance with the Companies Act and King IV^{TM} . The committee has fulfilled its statutory duties in terms of section 94(7) of the Companies Act 71 of 2008 and King IV^{TM} compliance. The committee complied with its legal and regulatory responsibilities for the 2017 financial year. (King IV^{TM} – Principles 10, 11, 12, 13 and 15)

The audit and risk committee functions according to a board approved terms of reference as contained in the audit and risk constitution and the risk management charter. The committee adopted the constitution and risk management charter with the terms of reference approved by the Board.

Role of the audit and risk committee

The committee has an independent role with accountability to the Board and shareholders. The committee's role is to assist the Board in carrying out its duties relating to accounting policies, internal controls, financial reporting practices and identification of significant risk exposure.

The main purpose of the audit and risk committee is to ensure the integrity of the financial statements and to oversee the effectiveness of the internal financial controls and the external and internal audit functions.

The governance of risk has been delegated to the committee. The committee should oversee the management of financial and other risks that affect the integrity of the external reports issued by the organisation.

RESPONSIBILITIES

This committee's responsibilities include overseeing the effectiveness of the Group's internal controls, finance function, risk management process and external auditors. The committee is also responsible for overseeing the integrity of the annual financial statements, interim financial reports, the integrated report and any other external reports delegated to it by the Board.

OBJECTIVE

THE MAIN DUTIES OF THE COMMITTEE DURING THE YEAR INCLUDED THE FOLLOWING:

- To establish the credibility, objectivity and reliability of published financial reports and ensuring that the financial statements comply with IFRS and to provide an objective, independent forum for the resolution of significant accounting and reporting related matters.
- To perform duties that are attributed to it by the Companies Act, the JSE and King IV^TM .
- To facilitate effective communication between the Board, senior management and the external auditors.
- To monitor the ethical conduct of the Group, its executives and senior management.
- To promote the overall effectiveness of corporate governance.
- To oversee the effectiveness of the internal audit function.
- To assist the Board of directors in fulfilling their responsibilities by ensuring that the system of internal controls, accounting practices, management information systems, financial reporting systems and auditing processes are functioning effectively.
- To oversee the integrity of the integrated report by assessing and taking into account all factors and risks that may impact the report.

The external auditors may communicate with the Chairman of the audit and risk committee and all of its members throughout the year. The Chairman of the committee is also available at the annual general meeting to answer questions about the committee's activities.

The skills and experience of the committee membership are strong and we believe that the deep and varied experience of the committee members gives perspective and insight to the committee considerations and decisions.

TAKUDZWA TANYARADZWA HOVE

COMMITTEE Chairman

REPORT OF THE AUDIT AND RISK COMMITTEE continued

KEY FOCUS AREAS

EXTERNAL AUDIT

The appointment of the external auditors;

- The scope, independence and objectivity of the external auditors:
- The terms of engagement and fees of the external auditors; and
- The quality of the external audit.

GOVERNANCE

- Risk assessment and management;
- Assessment of compliance with legal, regulatory, codes and other standards; and
- The ethical conduct of the group.

FINANCIAL REPORTING

The interim and preliminary announcements of results and reports to shareholders, the annual financial statements and integrated report;

- Consideration of concerns regarding accounting practices
 and internal audit matters; and
- The assessment of the appropriateness of the expertise and experience of chief financial officer and the financial function

INTERNAL CONTROL AND RISK MANAGEMENT

- The development and implementation of the Group's risk plan and strategy to ensure that the Group manages its risks in an optimal manner;
- The adequacy and efficiency of the risk policies, procedures and controls applied in the day-to-day management of the business:
- The effectiveness and performance of the internal auditors and compliance with its charter; and
- The effectiveness of the design and implementation of internal controls.

The audit and risk committee undertook a review of the cost and scope of the audit function performed by the independent auditors of the Group. The committee recommended to the Board that the current auditors, Grant Thornton Cape Inc., be re-appointed as the Group's external auditors for the 2018 financial year. The audit budget was approved based on the value proposition. There were no non-audit services delivered during the year.

The Group has internal controls and systems designed to provide assurance as to the reliability and integrity of the financial statements. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss and to safeguard, verify and maintain accountability adequately for its assets. (King IVTM - Principles 2, 4, 10, 11, 12, 13 and 15)

The external and internal auditors had unrestricted access to the audit and risk committee and attended all the audit and risk committee meetings by invitation during the year ended under review. Detailed reports were presented by the internal and external auditors. The Chairman of the audit and risk committee reported on the findings at the Board meetings.

Feedback from the audit and risk committee

In the conduct of its duties and in accordance with section 94 of the Companies Act, the committee reports as follows:

- Oversaw the development and implementation of the Group risk plan and strategy to ensure that the Group manages its
 risks in an optimal manner.
- Reviewed, approved and evaluated the adequacy and efficiency of the risk policies, procedures and controls applied in the day-to-day management of the business.
- Reviewed the scope, independence and objectivity of the external auditors.
- Considered and determined the terms of engagement and fees of the external auditors.
- The audit firm, Grant Thornton Cape Inc. and audit partner are in the committee's opinion, independent of the Group and have been proposed to the shareholders for approval to be the Group's auditors for the 2018 financial year.
- Reviewed and approved the fees proposed by the external auditors.
- Confirmed that there were no non-audit services provided during the year under review.
- · Obtained assurance from the external auditors that adequate accounting records are being maintained.
- Evaluated the independence, effectiveness and performance of the internal auditor and compliance with the charter.
- · Reviewed the annual financial statements, interim reports and results announcements.
- Recommended to the Board the interim and preliminary announcements of results and reports to shareholders,
 the annual financial statements and integrated report, having regarded all factors and risks that may impact on the integrity
 of the integrated report, including factors that may predispose management to present a misleading picture, significant
 judgements and reporting decisions made, monitoring of enforcement actions by a regulatory body, any evidence that
 brings into question previously published information, forward-looking statements or information.
- Reviewed the disclosure of sustainability matters in the integrated report.
- · Considered concerns regarding accounting practices and internal audit matters.
- Reviewed the expertise and experience of the financial management team and reported it to be adequate (King IV™ Principles 2, 4, 5, 10, 11, 12, 13, 15 and 16).

REPORT OF THE AUDIT AND RISK COMMITTEE continued

Execution of statutory duties and other responsibilities

RISK MANAGEMENT PROCESS

- The committee assessed the effectiveness of the risk management process in place throughout the Group.
- The committee assessed management's reports pertaining to the effectiveness of the Group's risk management, compliance processes and controls.
- The committee reviewed the top risks (refer to page 64) that the Group is exposed to and assessed management's responses to the top risks.
- The committee assessed whether there were any new and/or emerging risks pertaining to the Group and whether the risk management process is aligned to respond and address these risks.
- Refer to page 60 for the full risk management report.

The committee is satisfied that the Group's risk management process is effective and that the Group's top risk have been adequately addressed by the Group's management.

REPORTING

- The committee reviewed the process implemented by management for the preparation of the annual financial statements and is satisfied that the processes applied in preparing the financial statements were appropriate.
- The committee established the credibility, objectivity and reliability of the published financial reports and is satisfied that the annual financial statements comply with IFRS, the JSE Listing Requirements and the relevant provisions of the Companies Act and fairly represent the state of affairs of the Group.
- The committee is satisfied with the going concern assumption applied in preparing the financial statements.
- The committee assessed that the internal financial controls are effective.
- The committee assessed the quality and the integrity of the Group's integrated report and is satisfied with this.

COMPLIANCE

- The committee reviewed the Group's compliance with legal, regulatory, codes and other standards and monitored the implementation of the legal compliance processes.
- The committee is satisfied that the Group has complied with all its legal, regulatory and other responsibilities during the year under review.

INTERNAL AUDITOR

- The committee monitored the effectiveness of the internal audit function in terms of its scope, independence skills, execution of its plan and overall performance.
- The committee approved the formal internal audit plan, which included risk-based audits and improvements to the company's business processes.
- A formal report on the key findings of the internal auditor
 was submitted to the committee, summarising the
 results of the internal audit activity and management's
 progress in addressing the findings. Through this process
 the committee is assured that action has been taken to
 address the areas of concern.

The internal audit assessment report to the committee on the overall internal control environment confirmed that there were no material breakdowns in internal controls. (King IV^{TM} – Principles 11 and 15).

EXTERNAL AUDIT

- The scope, independence and objectivity of the external auditors, Grant Thornton Cape Inc., was reviewed.
- The committee considered the annual audit plan and related scope of working, determined the terms of engagement and fees of the external auditors.
- The committee evaluated and is satisfied with the effectiveness of the external auditors and the quality of the audit.
- The audit firm, Grant Thornton Cape Inc., and audit partner are, in the committee's opinion, independent of the Company.
- The committee confirmed that the same individual has not served as audit partner of the engagement for more than five consecutive financial years. Grant Thornton Cape Inc. has been the Company's auditors for the past 22 years with Imtiaaz Hashim serving as audit partner for one year.
- The external auditors liaised with the Group internal auditors and attended the audit and risk committee meetings by invitation.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

- The committee is satisfied that the chief financial officer has the appropriate experience and expertise to meet the responsibilities of the position.
- The committee has considered the expertise of the finance department and is satisfied that the finance department has the appropriate expertise and is adequately resourced.

TECHNOLOGY AND INFORMATION GOVERNANCES

- The Board is responsible for technology and information governance in the Group and has delegated the management of technology and information governance to the audit and risk committee.
- The audit and risk committee governs technology and information in a way that supports the organisation in setting and achieving its strategic objectives and has delegated this responsibility to management to implement and execute effective technology and information management. Management is accountable for operational governance of technology and information management.

DURING THE YEAR UNDER REVIEW THE COMMITTEE

- Exercised ongoing oversight over the Group's technology and information.
- Reviewed the effectiveness of the general information technology controls of the Group.
- Obtained feedback from management on the effectiveness of the internal controls for information technology.
- Reviewed emerging risks that could affect the information technology environment of the Group as well as the controls implemented by management to address any anticipated risks.
- Approved the acquisition and implementation of a new ERP system of the Group during the financial year.

The committee is satisfied that the internal control environment for information technology is satisfactory.

MANAGING OUR MATERIAL RISKS

We recognise the importance of identifying, assessing and managing risks that are faced by the Premier Group. Our Board is committed to effective risk management in pursuit of the Group's strategic objectives with the aim of growing stakeholder value.

BOARD OF DIRECTORS

STRATEGY, RISK APPETITE AND POLICY				
Risk ownership	Risk control and monitoring	Independent assurance and validation		
CEO and Exco	Audit and risk committee	Internal and external assurance		
Managing and recording	Internal verification	Independent verification		
Delegated Board authority to: Develop and implement business strategy Measure and manage performance Implement internal control and risk management framework within the agreed risk appetite	Objective oversight of risks Key activities include: Designing and deploying the overall risk management framework Developing and monitoring policies and procedures Monitoring adherence to the risk framework and strategy	 Assurance that the risk management process is functioning as designed and identifies improvement opportunities Independent and objective assurance over the effectiveness of corporate governance standards and business compliance 		
Management-based assurance	Audit and risk committee assurance	Independent-based assurance		

Governance of risk management

The Board of directors is responsible and accountable for the governance of risk and is committed to effective risk management in pursuit of the Group's strategic objectives. The Board is assisted by the audit and risk committee, which reviews and monitors the effectiveness of the risk management processes within the Group.

The Board oversees the activities of the audit and risk committee, the Group's external and internal auditors. The audit and risk committee oversees the risk management processes and ensures that the processes are in compliance with governance requirements and standards and works effectively.

The audit and risk committee delegated this responsibility to the executive committee for managing risks. The risk management process is monitored and evaluated by the Group's internal auditor. The Group internal auditor provides the audit and risk committee with assurance that significant business risks were systematically identified, assessed and reduced to acceptable levels in line with the Board's risk appetite.

Our approach to risk management

During the year under review, the Group's risk management approach continued to evolve, was flexible and relevant to the business needs in an ever-changing environment. The audit and risk committee continued to assess, manage and report on all significant risks, the impact on the business and the mitigation of the risks.

The audit and risk committee assessed whether the risk management process is effective in identifying and evaluating risks and assessed whether the executive committee managed the risks in line with the Group's strategy. The audit and risk committee considered the Group's external and internal operating environment in order to identify key developments related to key risks, the implications thereof and the responses and impact on sustainability.

In order to enhance the effectiveness of risk management, the audit and risk committee engaged the services of Nexia SAB&T to perform an independent gap analysis to benchmark the current internal audit and risk management structures and practices against:

- The International Standards for the Professional Practice of Internal Auditing; and
- The risk management maturity and internal audit maturity models.

The results of the analysis revealed compliance with the said requirements and identified a few areas for improvement. The executive committee commenced with the implementation of some of the recommendations made and continues to work on the other areas that have been identified.

A risk register is maintained with risk categories of financial, operational, strategic, legal, human resources and environmental risk. Action plans are monitored and discussed to reduce the risks to acceptable levels. From the risk evaluation in the risk register, significant risks are reported to the audit and risk committee, who in turn reports these risks at the quarterly Board meetings.

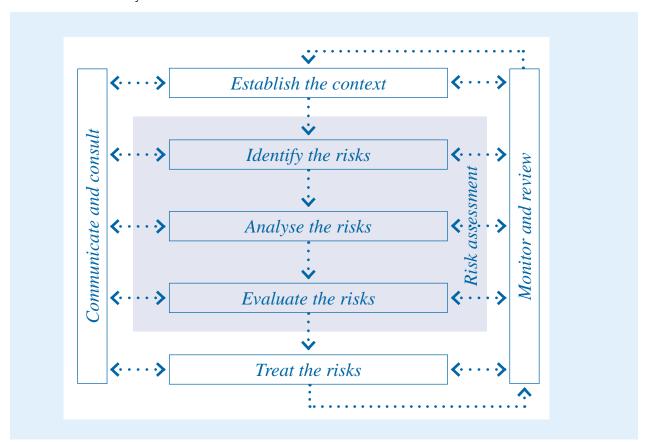
Risk management process

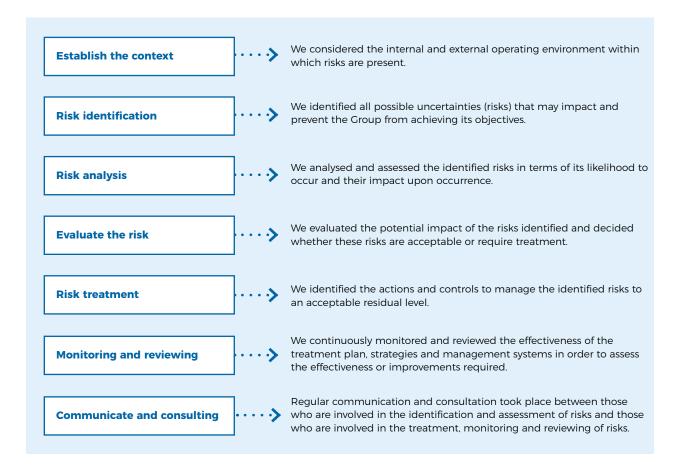
With the application of our Risk Management Policy, potential risk exposures are identified, assessed on their likelihood of occurrence and the impact of the outcomes are evaluated by using the Risk Tolerance matrix as identified in our Risk Management Methodology.

The Risk Management Charter acknowledges that the success of the Premier Group is dependent on the effective management of those activities that support the Group's key strategic objectives and value drivers as outlined in the strategy and that the activities have an associated element of inherent risk. It is therefore imperative that we assess risks in order to effectively identify and appropriately address them.

The Risk Management Policy defines the critical processes for identifying risks and prioritising and proactively managing those risks. The resulting residual risk level is that measure of risk exposure remaining following implementation of mitigation and management strategies.

The structure of our risk management process is set out below. This structure was rolled out across the entire Premier Group and is in line with industry standards.





Risk appetite and tolerance

In support of effective governance and risk- informed decision-making, the Board set out a risk appetite statement for those risks which, to a lesser or greater extent, are within its control to mitigate and manage. The risk appetite statement specifies the types of risks that the Group is willing to accept in fulfilling its mandate and informs policies on the allocation of accountabilities and resources to managing its risk exposures.

Risk management responsibilities

In order to meet our strategic objectives, we implemented the risk management process based on the approved Risk Management Policy. The policy defines the objectives, methodology, processes and responsibilities of the various role players. The policy is subject to an annual review and any proposed amendments are submitted to the audit and risk committee for consideration and recommended to the Board for approval.

During the year under review, the audit and risk committee undertook the following functions:

 Assisted the directors in fulfilling their responsibilities to ensure that the risk management process is effective throughout the Group;

- Evaluated reports from the internal auditor concerning the Group's risk management and compliance processes and controls in order to oversee the effectiveness of them:
- Assessed reports from the executive committee concerning business, operational and compliance risk in order to oversee these risks and assessed their impact on the Group:
- Received reports from the executive committee regarding significant risk exposure and risk events, in order to monitor and approve them in accordance with the Board's risk appetite;
- Ensured that the Group complied with applicable external and regulatory obligations and significant internal policies relating to the operation of its business units:
- Assessed whether IT risks were adequately addressed through the risk management and assurance processes of the Group;
- Facilitated communication of risk issues to all management; and
- Approved the updated Risk Management Charter and Amended Risk Management Policy.

The Board remains committed to a process of risk management that is aligned to the principles of King IV^{TM} .

TECHNOLOGY AND INFORMATION

The Board is responsible for technology and information governance in the Group and delegated the management of technology and information governance to the audit and risk committee.

The audit and risk committee governs technology and information in a way that supports the organisation in setting and achieving its strategic objectives and delegated this responsibility to executive management to implement and execute effective technology and information management. Management is accountable for operational governance of technology and information management.

IT strategy

An annual report on technology and information governance is tabled at the audit and risk committee meeting to address any significant technology and information risks and matters to be considered to ensure compliance with the governance framework. The primary focus during the year was to review and approve the Group's technology and information strategy to ensure that there is good governance across the information systems.

Digital revolution

Business leaders are urgently trying to keep abreast of the surging pace of digital transformation globally. The past year has been characterised by IT security incidents, such as ransomware attacks.

The world continues to evolve due to significant trends such as:

- IT automation and analytics are two key trends accompanying artificial intelligence, which is starting to play a significant role in IT security.
- mobile devices with pervasive connectivity to the internet, as broadband data reduces in price and increases in availability, results in new heights of social media interaction on a business and personal level;
- cloud computing, which provides access to high-level, utility-based, location-independent and capital-light computing resources and agility;
- the increase in connected devices installed to on-board computers giving rise to the internet of real-time exchange of information between connected devices; and
- an increase in data that needs to be stored, managed and interpreted for business advantage.

During the year under review the audit and risk committee undertook the following to ensure best practices:

- All systems were backed-up daily and stored off-site;
- Quarterly restore tests were done to ensure that the backups were working;
- All servers and workstations have the latest operating

system patch levels, all security updates are applied and compliance is monitored to ensure that the organisation is protected from security threats;

- All servers and workstations have the latest anti-virus patch levels applied to monitor compliance, to ensure the organisation is protected from security threats;
- A disaster recovery/business continuity plan is being re-drafted with regular testing done to ensure that disaster does not impact the business;
- Firewalls, password management and remote access are in place to ensure that the organisation is not at a low risk of a security breach;
- Regular changing of passwords measures are in place;
- Restrictions to websites that pose a security threat are in place;
- Restrictions on who can access what, whether it is external or internal to the organisation, have been applied;
- Strong password controls are in place and the network password policy was reinforced;
- A formal incident, fault call logging process is in place to ensure that issues are dealt with speedily; and
- We instituted ransomware mitigation procedures and ESET antivirus software is updated regularly on all workstations and the server.

(King IV™ - Principle 12)

Risk mitigation

The ever-changing environment brings with it the complexities of managing information risk and the Group is applying the appropriate operational and technology interventions to manage these challenges. As the Group is dependent on IT to meet its business needs all identified risks are monitored and reduced to an acceptable level by the executive management.

Although no material risks were reported on during the year under review, we are cognisant of cybersecurity and the implications thereof, taking into account the protection of our stakeholders, which remains a high priority. One aspect driving risks and security is our governance and internal audit to ensure that the organisation's information assets are secure.

We constantly address best practices, threats from phishing, ransomware and other cyber threats which could have an impact on business operations, financial statements, legal exposure and the Company's reputation.

(King IV™ - Principle 11)

OUR MATERIAL RISKS

We create value for our stakeholders in the short, medium- and long-term through:

•••••		
Rank	Risk category	Risk
1	Regulation	The risk that a reduction in the fish biomass could result in a reduction in the TAC for WCRL, SCRL, hake and pelagic or a reduction in the total effort catch for squid.
2	Economic	The risk that ZAR will strengthen against the US\$ and the Euro.
3	Technology	The risk that the Group's information systems will be threatened by cyber-attacks.
4	Legal	The risk that the Group is non-compliant to laws and regulations and JSE Listings Requirements.
5	Environmental	The risk of adverse weather conditions affecting landings of fish stocks. The risk of red tide in the Gansbaai area.
6	Operational	The risk of unplanned operational disruptions as a result of labour actions or high increase in wage demands.

Mitigation	Residual vs inherent risk exposure (high – low)	Material aspect affected
The Premier Group is a member of all the associations in the fishing sectors within which it operates. The Group is committed to assisting government by complying with the strict compliance of fishing methods in terms of the TAC to ensure that the fishing resources are able to rebuild and maintain its sustainability for the future. The Group acquired fish from small right holders, thereby reducing the impact of the reduction in total quota allocations for the Group.	Medium	Financial
The Group implemented several operational strategies enabling the Group to save on catch costs. This resulted in operating margins being maintained in terms of the strengthening of the ZAR.	Medium	Financial
The Group installed a firewall to prevent unauthorised access to the Group's information technology systems. The Group constantly provided employees with training and information on how to mitigate software virus threats.	Medium	Business operations
Training was provided and awareness assessed across the Group. Policies and procedures were updated in order to adapt to new regulations and legislative requirements.	Low	Social and Relationship
The Group evaluated the catching plans and modified them whenever necessary, taking into account the prevailing weather conditions. We have employed the services of veterinarians and a top marine biologist who developed standard practices to assist with the managing of our animals during red tide.	Medium	Natural Capital
 The Group engaged with the various trade unions to ensure that the Group's employees enter into sustainable wage agreements.	Low	Social and Relationship

REPORT OF THE REMUNERATION COMMITTEE

Statement from the Chairman of the Remuneration committee

I am pleased to present the 2017 summarised remuneration report on behalf of the remuneration committee. Reporting and disclosures are evolving to ensure that stakeholders are able to understand how remuneration decisions are made in order to assess the outcome of these decisions. Shareholder focus remains on ensuring pay for performance and alignment with shareholder goals and enhanced disclosure so that shareholders can understand the quantum, rationale and drivers of executive remuneration. In South Africa, good governance, ethics and leadership regarding remuneration is primarily informed by King IVTM. This report highlights the key components of our policy and how these align to our performance and strategic objectives for the 2017 financial

The committee was tasked by the Board to approve and oversee the implementation of the remuneration policy. The policy is aimed at ensuring market-related yet affordable performance linked rewards and to ensure balanced and transparent outcomes that align with shareholder interests over the short and long-term. Ultimately our policy enables the attraction and retention of valuable talent.

Remuneration and reward systems remain sensitive matters, especially in the socio-political environment. Our approach to remuneration aligns to our ethics, corporate governance philosophy and shared values – respect and trust, people, integrity, accountability, stakeholders, commitment and investment. We will continue to review and adapt to changes in market conditions to ensure that our policy and principles remain appropriately aligned with our overall business strategy.

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

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

The committee had an independent third party perform a market comparison against our peers. The comparison was used to determine the levels of remuneration. The committee reviewed the targets set in terms of performance-related remuneration for the CEO, the executive management team and senior management in the Group which include individual performance factors and a combination of portfolio-specific targets. The CEO and executive management team's performance are assessed against a set of predetermined objectives that include, inter alia, strategic leadership, execution of the strategy through business results and stakeholder relations.

The Board recognises that the successful delivery of the Group's objectives should constitute both financial and non-financial performance measures, with the key financial measures which include profits, cash flow and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group.

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

During the financial year, the remuneration committee received guidance from the following independent advisors:

- An external advisor
- PE Corporate Services executive salary benchmarking and job grading

The committee conducted a detailed review of each of the three senior executive's performance for the 2017 financial year and recommended to the Board that a bonus be paid using the Matrix guidelines based on financial and qualitative performance. The committee agreed to recommend to the Board the approval of a general salary increase based on the current price index of 7% for all employees in the Group.

We remain committed to closing the wage gap and pay particular attention to those at the lower end of the earnings spectrum and consistently applied the principle that our remuneration should be fair and competitive and should reflect the performance of the business. Our ethos is one of appreciation for commitment, diligence, care and attention to detail. We respect and recognise our employees for their contribution made during the year and inspire them to realise their full potential and we believe in rewarding accordingly.

This report is part of the remuneration report and will be put to a non-binding advisory vote by shareholders at the upcoming AGM. It summarises the Company's remuneration policy for non-executive directors, executive directors and prescribed officers. The information provided in this report has been approved by the Board on the recommendation of the remuneration committee.

For the year under review, the committee is satisfied that is has fulfilled all its statutory duties assigned by the Board.



SALIM YOUNG

Chairman of the remuneration committee.

Role of the remuneration committee

The remuneration committee's main purpose is to ensure that the Company's remuneration practices and policies are aligned with good corporate governance. The main aim of the committee is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies which ensure fair and responsible remuneration of directors and executives.

commended to the Board the fees to be paid to non-
ecutive directors for their services on the Board and its mmittees;
sclosed the directors' remuneration and ensured that it is nsparent, accurate and complete; and
proved the executive and senior management incentives opted by the Company.
r

Remuneration policy INTRODUCTION

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

To assist in the achievement of the Group's long-term strategic goals, the remuneration committee has put a formal remuneration policy in place. The main aim of the committee is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies and guiding principles of a standardised approach in the application of remuneration practices within all the divisions and functions.

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

OVERVIEW OF THE MAIN PROVISIONS

The remuneration policy is aimed at aligning remuneration practices that will enable the committee to achieve the Group's strategic objectives, translating into market related yet affordable performance-linked rewards and to ensure balanced and transparent outcomes that align with shareholder interests over the short and long-term and ultimately enable the attraction and retention of valuable talent. Our approach to remuneration aligns to our ethics, corporate governance philosophy, shared values and best practices.

The main aim of the remuneration policy is to achieve the following objectives:

- support the attainment of the Group's business strategies and objectives;
- attract, retain and motivate key and talented employees;
- · compete in the marketplace to be an employer of choice;
- reward individual, team and business performance and encourage superior performance; and
- support the key values of the Group.

REPORT OF THE REMUNERATION COMMITTEE continued

REMUNERATION PHILOSOPHY AND POLICY

The Group's aims to be a competitive and attractive employer in the market place. The Group's remuneration policy is designed to enable the attraction, development, engagement, motivation and retention of key and critical skills to drive performance in alignment with stakeholder expectations and the overall strategy of the Group.

The Board believes that in order to achieve the balance between business strategy and the employees' diverse needs, it continually strives to transform to a broader definition of reward - that of total rewards. To deliver on our philosophy, an enabling strategy was crafted that leverages the proper mix of rewards that satisfies the personal and financial needs of current and potential employees, given existing business unit conditions and constraints.

The Group's remuneration philosophy's main aim is to ensure that the Group is able to develop, motivate and maintain an internal human capital pipeline and when necessary attract the requisite skills enabling the business growth strategy

The key elements of the Group's remuneration policy are set out the in the table below:

REWARD ELEMENTS APPLIED BY THE GROUP	
Remuneration	guaranteed pay (total cost to Company)
	pay for performance and short-term incentives.
Benefits	provident or pension fund
	medical aid
	wellness awareness
	Group risk insurance and funeral cover.
Personal development and leadership	growth and recognition
	Company career across business units
	career planning
	performance management and development.
Cultures and values	Company-enshrined values statement
	values-based leadership and nurturing culture.
Work environment safety	location and flexibility.

EXECUTIVES AND EMPLOYEES

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

Cost-to-company remuneration incorporates the following elements:

BASE SALARY

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

BENEFITS

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

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

COMPLIANCE

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

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

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts but have permanent employment agreements with Premier Fishing SA (Pty) Ltd. The remuneration of executives is determined on a cost-to-company basis and is subject to an annual review by the remuneration committee. Provident or pension fund and health care provision form part of the overall cost-to-company packages. Executive directors are members of the Group's provident fund and are required to retire from the Group as a director of the Board at the age of 65, unless requested by the Board to extend their term. There are no other special benefits for executive directors.

PUBLIC OFFICER

The public officer, Mr Mogamat Samir Saban is not remunerated for his role as the public officer of the Company.

PERFORMANCE APPRAISALS

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

The Chairman of the remuneration committee reports to the Board on the activities of the committee at Board meetings.

For the period under review, the committee is satisfied that is has fulfilled all its statutory duties assigned by the Board.

Remuneration

NON-EXECUTIVE REMUNERATION

The non-executive directors receive fees for serving on the Board and Board committees. The fees for non-executive directors are recommended by the remuneration committee to the Board for approval. The Board recommends the fees to shareholders for approval at the annual general meeting of the Company.

The 2017 remuneration of the non-executive directors is set out below:

NON-EXECUTIVE	FEES R'000
VC Mehana	110
S Young	75
R Mosia	75
A Amod	75
C Van der Venter	75
Total	410

Note: K Abdulla, TT Hove, AW Johnson, CF Hendricks, LS Naidoo and FEC Brand waived their non-executive fees

REPORT OF THE REMUNERATION COMMITTEE continued

Premier Fishing covers all reasonable travelling and accommodation expenses incurred to attend Board and committee meetings. Non-executive directors do not have any employment contracts, nor do they receive any benefits associated with permanent employment.

The 2017 remuneration of the executive directors is set out below:

EXECUTIVE (R'000)	MS SABAN	IT BUNDO	R ISAACS
Salary	1 266	790	614
Bonus	315	150	113
Provident & Pension Fund	139	92	67
Total	1 720	1 032	794

Non-binding advisory votes on the remuneration policy and implementation report

In the event that less than 75% support for the abovementioned reports are achieved at the AGM, the Board will invite dissenting shareholders to send reasons for such votes in writing, where after further engagements may be scheduled to appropriately address legitimate and reasonable objections and concerns raised.

IMPLEMENTATION REPORT

This part of the report focuses on the performance outcomes against the targets set for 2017.

SALARY INCREMENT

The committee reviewed the targets set in terms of performance-related remuneration for the CEO, executive management team and senior management in the Group which includes individual performance factors and a combination of portfolio-specific targets. For the year ended 31 August 2017, a general salary increase was approved based on the yearly average current price index of 7% for all employees in the Group.

DISCRETIONARY BONUS

For the year ended 31 August 2017, the discretionary bonus was calculated as a percentage of the qualifying executive/ senior management/employee's base salary according to seniority and the level of responsibility assumed. Qualifying executives and senior management received a discretionary cash bonus dependent on meeting both financial and qualitative strategic performance objectives. Employees received a discretionary cash bonus dependent on meeting both personal and the Company's strategic objectives. Financial, qualitative, personal and Company strategic performance are aimed at ensuring sustainable long-term value creation to the benefit of all stakeholders.

The total base salary and bonus paid were considered to be fair to the Company and the executive/senior manager/employee. For the year ended 31 August 2017, the CEO and executive management team's performance was assessed against a set of predetermined objectives that include, inter alia, strategic leadership, execution of the strategy through business results and stakeholder relations. The successful delivery of the Group's objectives constitute

both financial and non-financial performance measures, with the key financial measures which include profits, cash flow and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group.

The committee remains mindful of ensuring that overall remuneration was appropriate for the performance of the Group and in relation to its operational peers. In doing so, the committee considered the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to enable the delivery of the Group's strategic objectives. (King IV^{TM} – Principle 14)

A copy of the full remuneration policy is available on www.premierfishing.co.za.

SUCCESSION PLANNING

The Board recognises its responsibility to make provisions for competent leadership for the Group. In fulfilling this responsibility, the Board also acknowledges that situations may arise which require a need for interim leadership and that future leadership transitions are inevitable.

The purpose of succession planning is to ensure that plans are in place to develop potentially suitable candidates for the future. The focus also remains on the retention of key and critical skills in the Group. Succession planning is reviewed periodically and provides for both succession in emergency situations and succession over the longer term.

- The succession plan is designed to address each of the following situations:
- Provision for leadership during anticipated or unanticipated short-term absences of the CEO;
- Planned resignation in the event of a permanent leadership change, the process for conducting a CEO search:
- Provision for leadership during anticipated or unanticipated short-term absences of the chair; and
- Planned resignation in the event of a permanent leadership change, the process for conducting a chair search.

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEES

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Role of the social and ethics committee

The social and ethics committee is responsible for the oversight and reporting on the Groups ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.

A charter approved by the Board governs the role and function of the committee. The duties of the committee include the monitoring of the Company and the Group's activities (*inter alia*, via other committees of the Board), having regard to all relevant legislation, legal requirements or prevailing codes of best practice.

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The social and ethics committee assisted the Board in ensuring that the Group is and remains a committed, socially responsible corporate citizen and for the monitoring the Group's ethics, sustainable development and stakeholder relationships. The commitment to sustainable development involves ensuring that the Company and the Group conducts its operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs. The committee's primary role is to supplement, support, advise and provide guidance on the effectiveness, or otherwise of management's efforts, in respect of sustainable development and social and ethics-related matters.

GOVERNANCE AND SUSTAINABILITY

During the year under review, the committee undertook the following:

- Reviewed and amended the personnel manual and ensured that all policies are in line with the amended Basic Conditions
 of Employment Act, 1997 (No. 75 of 1997) ("Basic Conditions of Employment Act"), the Employment Equity Act, 1998 (No. 55
 of 1998) ("Employment Equity Act"), as well as skills development;
- Reviewed the compliance against the UN Global Compact's 10 principles in the areas of human rights, labour, the environment and anti-corruption:
- · Reviewed the employment relationships and its contribution toward the educational development of its employees;
- Reviewed the standing in terms of social and economic development and made recommendations;
- Reviewed the standing in terms of the new regulations governing Broad-Based Black Economic Empowerment to ensure compliance;
- · Reviewed the corporate citizenship, including the promotion of equality and prevention of unfair discrimination;
- Reported that there was no corruption or fraud;
- Approved the contribution to the development of communities in which the Company and the Group's activities are conducted, including sponsorship, donations and charitable giving;
- Reviewed the environmental impact in terms of health and public safety, including the impact of the Company's activities and/or its products or services;
- Reviewed the consumer relationships, including advertising, public relations and compliance with consumer protection laws;
- Ongoing staff awareness around the following policies:
 - The Way We Work Policy;
 - Anti-corruption and Bribery;
 - Code of Conduct; and
- Code of Ethics.

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE continued

PLANNED AREAS OF FUTURE FOCUS

- · Continue to govern ethics in the Group in a way that continues to support the establishment of an ethical culture
- Monitor labour, employment relationships, training and skills development, employment equity, promotion of equality and the prevention of unfair discrimination
- · Exercise ongoing oversight of the management of ethics and in particular oversee that it results in the following:
 - Application of the organisations ethical standards to the processes for the recruitment, evaluation of employees, as well
 as the sourcing of suppliers
 - Having sanctions and remedies in place for when the organisation's ethical standards are breached
- Monitor the use of protected disclosure and whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately
- The monitoring of adherence to the organisation's ethical standards by employees and other stakeholders through, among other, periodic independent assessments
- Monitor, review and ensure compliance to the Group's standing in terms of social and economic development
- Monitor and review to ensure that the divisions in the Group recognise that they have a responsibility to apply good environmental practices, and to improve on their environmental performance
- Ensure compliance and standing in terms of the regulations governing Broad-based Black Economic Empowerment
- Monitor and ensure that the Group is seen to be a responsible corporate citizen through societal and environmental initiatives and the Group's contribution to the development of communities in which the Group's activities are conducted

Monitor the Group's consumer relationships, including advertising, public relations and compliance with consumer protection law.

King IV™ - Principles 2, 3, 4, 13 and 16

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.

The chairman of the social and ethics committee reports to the Board on the activities of the committee at Board meetings.

REPORT OF THE TRANSFORMATION COMMITTEE

The transformation committee assists the Board in the effective discharge of its responsibilities for oversight of transformation management, ensuring that management has implemented and maintained an effective transformation management process in the Group.

As a responsible employer, The Group adheres to all labour legislation and laws. The Group's employment equity policy affirms the commitment to equal opportunities relating to affirmative action and the achievement of employment equity.

D	U	Ц	Ш	Ė	S

- Approval of strategies, processes and control framework for the management of transformation.
 Review the skills development and employment equity plans of the Group and make recommendations.
- Approval of the appointment of the verification agency for B-BBEE rating.
 Developme Group.
 - Development of long-term transformation goals for the Group.
- Approval of the scorecard targets for timeous submission to the agency.
- Review of the equity ownership of the Group.
- Approval of the employment equity plan to be submitted to the Department of Labour.
- Review of the placement of interns in the Group.
- Assessment of reports from management concerning the Group's transformation and compliance processes and controls in order to oversee their effectiveness.
- Review of the transformation plans for the Group and make strategic recommendations.
- Assessment of reports from divisional management concerning transformation and compliance in order to oversee these risks and assess their impact on the Group.
- Approval or recommendation of any changes to the charter and policy as appropriate.
- Assessment of reports and reporting key issues to the board of directors.
- Assessment of reports from management concerning the implications of new and emerging risks, legislative or regulatory initiatives and changes in order to ensure that transformation is held at an acceptable level.
- Overseeing of compliance by the Group with applicable external and regulatory obligations, and significant internal policies relating to the operation of its business units.
- Assisting the Board in fulfilling their responsibilities and for ensuring that there is an effective transformation process in place throughout the Group.

OUR TRANSFORMATION PHILOSOPHY

As a responsible employer, The Group adheres to all labour legislation and laws. The Group's employment equity policy affirms the commitment to equal opportunities relating to employee diversity and the achievement of employment equity.

As a Group, we believe in the development and empowerment of our staff and to enhance performance by "growing our employees". We recognise that today's best is the benchmark we must surpass tomorrow. The Group is committed to its shared values which include: people, accountability, integrity, commitment, stakeholders, respect and trust as well as investment.

REPORT OF THE TRANSFORMATION COMMITTEE

The transformation committee assisted the Board to ensure that the Group is and remains committed to transformation, and in light of this the following took place during the year under review:

- Maintained our B-BBEE Level 2 status
- Remained the largest black-owned and managed food and fishing company in South Africa
- Remained the most empowered company in its industry

Continue to retain and develop management who is empowered

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE continued

2017 TRANSFORMATION HIGHLIGHTS

Level 2 B-BBEE score 79% black directors 5 black female directors 96% HDI employees 33% black female employees

75% black representation at executive management level 13% black female representation at executive level

R93 million spend on skills development of black employees

TRANSFORMATION CHARTER

The Group is committed to a continuous transformation process and adopted a Transformation Charter on 1 August 2017. The Transformation Charter will be revised from time-to-time to comply with changes in the social, natural and business environments.

GOALS AND OBJECTIVES

The transformation committee has set the following transformation goals with clear objectives to be true to its values:

- Employer of Choice to create and nurture a working environment and a corporate culture that together attract and retain the best talent and skill, to redress residual inequalities with regard to race, gender and disability in accordance with our Employment Equity Plan, and to accelerate the development and retention of a diverse pool of skilled employees in order to achieve equitable representation in all occupational categories and levels of employment.
- Diversity to value all people who make up the diverse population of South Africa, and to accelerate and cultivate an environment where diversity is valued and prospers.
- Leadership and Management to ensure that employees who manage and lead broadly reflect the diverse profile of the South African and African populations and that they are appropriately empowered and skilled to manage the Company towards its strategic objectives.
- Economic sustainability to create long-term economic value
- Environmental sustainability brands and practices further improved brand value for the Company.
- Environmental sustainability resource stewardship

 drive resource management throughout our supply
 chain.
- Social sustainability stakeholders contribute to a society through our own practices and relationships with communities.
- Internal communication overcome barriers to communication related to race, gender, culture and status and to encourage open, honest and effective communication between all people both individually and within the appropriate communication forums.
- Transformation image and profile ensure that the Company's image and profile is aligned with its

- transformation strategy and the changing South African and African environments.
- Business partners and collaboration ensure communication and collaboration with the Company and the Group's business partners and associates with regard to sector transformation.

As a responsible employer, we adhered to all labour legislation and laws. The Group's employment equity policy affirms the commitment to equal opportunities relating to affirmative action and the achievement of employment equity.

The transformation committee assisted the Board in ensuring that the Group is and remains committed to transformation and in light of this the following took place during the year under review:

- · Adopted a new transformation policy and charter
- Adopted a three-year Transformation Plan from 2018 onwards
- Implemented and tracked the long-term goals in terms of the Group's Vision 2020 Vision
- Reviewed and made recommendations to the skills development plans and the placement of interns in the Group
- Reviewed and made recommendations on the transformation plans
- Reviewed the equity ownership of the Group
- Reviewed and made recommendation on the employment equity plans
- Contributed to our corporate social investment programmes
- Ensured that all regulatory obligations were met, including the submission of employment equity plans to the Department of Labour

(King IV™ - Principles 2, 13 and 16)

TRANSFORMATION PLAN

The execution of the new transformation plan will be a high-priority responsibility of executive management. The transformation committee developed detailed short, medium- and long-term action plans to ensure the implementation of its transformation goals and objectives. These action plans address all the stated goals and objectives and take into account the suggested action plans put forward by various forums, while aligning with their applicable objectives.

The transformation committee will on a regular basis, monitor and review and make recommendations. The various business units will communicate their status of performance against goals.

The Chairman of the transformation committee reports to the Board on the activities of the committee at Board meetings. For the period under review, the committee is satisfied that is has fulfilled all its statutory duties assigned by the Board.

REPORT OF THE NOMINATION COMMITTEE

REPORT OF THE NOMINATION COMMITTEE

The nominations committee is constituted as a statutory committee of Premier Fishing in respect of its statutory duties in terms of the Companies Act and King IV^{TM} and accountable to both the Board and shareholders. It is a committee of the Board in respect of all other duties the Board assigns to it and has been delegated powers to perform its functions.

The main objective of the nominations committee is to oversee the following:

- · The process of nominating, electing and appointing members of the Board
- · Succession planning in respect of the Board members
- Evaluation of the performance of the Board

Role of the nomination committee

to assist the Board to ensure, on an annual basis, that:

The Board has the appropriate composition in terms of structure, size, composition and independence for it to execute its duties effectively; and
 Directors are appointed through a formal process.
 Formal succession plans for the Board; chief executive officer and senior management appointments are in place; and
 Induction and ongoing training and development of directors take place.

FUNCTIONS OF THE COMMITTEE

- The committee must perform all the functions necessary to fulfil its role as stated above, including the following: Ensure the establishment of a formal process for the Find and recommend to the Board a replacement for the appointment of directors, including the identification of chief executive when that becomes necessary: suitable members to the Board; Oversee the development of a formal induction programme Ensure that formal succession plans for the Board for new directors: and chief executive appointments are developed and Ensure that inexperienced directors are developed through Evaluate the performance of the chairperson and of the a mentorship programme; Board: Oversee the development and implementation of Make recommendations for the re-appointment of continuing professional development programmes for directors with regard to resignations or retirements due directors. to rotation on the basis of that member's performance. including attendance at meetings of the Board and committees; Report, in the integrated report, the list of directors' Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Company current details, composition of Board committees, operates; and number of meetings held and attendance at meetings;
 - Consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.

 The Chairman of the nomination committee reports to the Board on the activities of the committee at Board meetings.

REPORT OF THE NOMINATION COMMITTEE continued

For the period under review, the committee is satisfied that is has fulfilled all its statutory in terms of its legal and regulatory responsibilities for the 2017 financial year.

During the year under review, the nomination committee performed all the functions necessary to fulfil its role as stated above, including the following:

- Adopted and approved a gender diversity policy. Identified suitable candidates for appointment to the Board and considered candidates on merit against objective criteria with due regard to the potential benefits of gender diversity at a Board level. The committee will continue to monitor the measurable targets for maintaining gender diversity on the Board.
- Assessed the current composition of the Board in terms of gender diversity and confirmed that they were pleased with the current composition of the Board.
- Ensured that the establishment of a formal process for the appointment of new directors is in place including:
 - identification of suitable members in terms of gender diversity;
 - performed reference and background checks of candidates and independently investigated their qualifications prior to nomination;
 - formalised the appointment of directors through an agreement between the Company and the director;
 - provided a formal induction programme for new directors.
- Ensured that inexperienced directors are developed through a mentorship programme;
- Ensured the development and implementation of continuing professional development programmes for directors:

- Ensured that directors receive regular briefings on changes in regulatory compliance, risks, laws and the environment in which the Company operates;
- Ensured that formal succession plans for the Board, Chairman, CEO and executive management were developed:
- Evaluated the performance of the chairperson and the Board as a whole and confirmed their performance in terms of independence, balance of power, fiduciary duties, ethical leadership, corporate governance and the effective discharge of their duties;
- Ensured that a brief professional profile of each candidate standing for election at the AGM, including details of professional commitments, accompany the notice of the AGM, together with a statement from the Board confirming whether it supports the candidate's election or re-election.
- Ensured that a programme of professional development and regular briefings on legal and corporate governance developments and risk and changes in the external environment of the organisation, should be provided for members of the Board.

(King IV^{TM} - Prince 1,7,8 and 9)

- The committee is satisfied with the Board's current composition in terms of gender diversity.
- For the period under review, the committee is satisfied that it has fulfilled all its statutory duties in terms of its legal and regulatory responsibilities for the 2017 financial year.

Board Appointment policy:

- The committee considers the benefits of all aspects of diversity including, but not limited to, gender diversity, in order to enable it to discharge its duties and responsibilities effectively
- The committee considers candidates on merit against objective criteria and with due regard for the benefits of gender diversity on the board.
- Before nominating a candidate for election he committee considers the balance, skills, experience and the diversity
 representation of the board, whether the candidate meets the appropriate fit and proper criteria and other factors relevant
 to its effectiveness

During the year under review, the nomination committee performed all the functions necessary to fulfil its role as stated above, including the following:

- Adopted and approved a gender diversity policy. Identifying suitable candidates for appointment to the Board, the
 committee will consider candidates on merit against objective criteria and with due regard for the potential benefits of
 gender diversity at a Board level. The committee will continue to discuss and annually agree all measurable targets for
 achieving gender diversity on the Board.
- Assessed the current composition of the Board in terms of gender diversity and confirmed that they were pleased with the current composition of the Board
- Ensured that the establishment of a formal process for the appointment of new directors is in place including:
 - identification of suitable members in terms of gender diversity;
 - performing reference and background checks of candidates, which should be independently investigated and their qualifications should be independently verified prior to nomination;
 - formalising the appointment of directors through an agreement between the Company and the director; and
 - a formal induction programme for new directors
- Ensured that inexperienced directors are developed through a mentorship programme
- · Ensured the development and implementation of continuing professional development programmes for directors
- Ensured that directors receive regular briefings on changes in regulatory compliance, risks, laws and the environment in which the Company operates
- · Ensured that formal succession plans for the Board, chairman, CEO and executive management were developed
- Evaluated the performance of the chairperson and the Board as whole and confirmed their performance in terms of
 independence, balance of power, fiduciary duties, ethical leadership, corporate governance and the effective discharge of
 their duties
- Reviewed the re-appointment of directors with regard to retirements due to rotation on the basis of that member's performance, including attendance at meetings of the Board and committees
- Ensured that a brief professional profile of each candidate standing for election at the annual general meeting ("AGM"), including details of professional commitments, accompany the notice of the AGM, together with a statement from the Board confirming whether it supports the candidate's election or re-election
- Ensured that a programme of professional development and regular briefings on legal and corporate governance
 developments and risk and changes in the external environment of the organisation, should be provided for members of
 the Board

(King IV™ - Principle 1, 7, 8 and 9)

The committee is satisfied with Board's current composition in terms of gender diversity.



REPORT OF THE INVESTMENT COMMITTEE

Role of the investment committee

The role of the committee is to assist the Board:

- In considering investment opportunities in respect of acquisitions, material capital expenditure and other corporate action in terms of the organisation's risk appetite.
- To approve acquisitions and disposals in line with the limits of authority delegated to it and in line with the strategy determined by the board.

The Group's fundamental principles is to develop smaller black-owned companies as well as investing into the communities within which it operates and this principle is applied in its investment strategy. Through its investments, the Group owns and manages a significant infrastructure and value chain through the production facilities, fishing vessels, sales and marketing business with an international footprint, and an aquaculture farm operating nationally.

The Group's investment decisions are driven by the overall objective of creating and growing stakeholder value in a sustainable manner. This is achieved by ensuring all investments, be it acquisitions or organic growth projects, are subjected to review by the investment committee. The committee is well-balanced and has legal, financial and strategic expertise. Investments are adjudicated to ensure it has both a strategic fit with synergistic benefits to the Group's current portfolio and that the investment provides an acceptable level of return with a reasonable payback period (based on the specific industry).

INVESTMENT CONSIDERATIONS

When considering acquisitions, the Group targets companies with the following characteristics:

- Strong investment partners that are aligned with the Group's strategic objectives;
- Companies that are committed to the production of high-quality products;
- · Defined and sustainable growth strategy;
- Successful historical performance, coupled with robust future prospects;
- · Excellent credentials and management expertise; and
- High-growth prospects.

REPORT OF THE INVESTMENT COMMITTEE continued

INVESTMENT OPPORTUNITIES CONSIDERED

In light of the capital raised from the listing, the investment committee was presented with an investment opportunity for consideration.

INVESTMENT CASE	CONSIDERATIONS	CONCLUSION
Abalone farm expansion	 Community development: Job creation and procurement will occur within the local community and approximately 200 jobs will be created at the farm 	Approved
	Increased in margins	
	 At full capacity the farm will generate revenue of R120 million and profit after tax of R55 million per annum 	
	Capital investment required: R220 million	
	Return on investment period: 5 years	
	Net present value over 10-year period: R108 million	
	Internal rate of return: 24%	
Fish meal production facility	• Increase in margins of 10%	Approved
	Community development: Approximately 200 jobs will be created at the plant	
	 Production of fish oil, which is a key raw material in the manufacture of Seagro 	
	Capital investment required: R100 million	
	Return on investment period: 2 years	
	Net present value to 2020: R58 million	
	Internal rate of return: 38%	
Trading Business	This will contribute to further diversification within the Group and create additional revenue streams	Approved
	Capital investment required: R5 million	

- Through its investment portfolio Premier Fishing will continue to:
 - ensure above-market shareholder returns;
 - provide and maintain high-quality production facilities;
 - create sustainable wealth for all stakeholders;
 - maintain sound corporate governance, business and ethical practices;
 - stimulate economic growth by assisting and adding value to SMMEs;
 - promote an entrepreneurial culture; and
 - be open and transparent in its reporting.

The committee is satisfied that is has fulfilled all its statutory duties assigned by the Board for the period under review. The Chairman of the investment committee reports to the Board on the activities of the committee at Board meetings.





CHIEF EXECUTIVE OFFICER'S REPORT

This has been a milestone year in the history of the Company which recently listed on the main Board of the Johannesburg Stock Exchange (JSE)

As the largest black-owned and -managed fishing company in South Africa, we are fully committed to transformation and will lead this process in the fishing industry.

Job creation is one of our key strategic objectives across our various business units. With the expansion at our abalone farm we hope to employ a further 200 people from the Gansbaai community in which we operate, hence reducing unemployment and poverty in the community.

Within a space of seven months of being listed, we were lauded with our very first accolade as the Second Runner-up in The Top Empowered Companies Awards 2017 by Empowerdex. This award is testament to the Group's dedication and commitment to B-BBEE and enterprise development.

It fills me with great pride to announce our maiden financial results for the year under review. Premier Fishing delivered a solid financial performance for the year. The Group's revenue increased by 2% from R40 million to R41 million and profit after tax increased by 31% from R52 million to R68 million from the prior year.

The main reason for the positive results was as a result of excellent performance across most of the Group's operating divisions.

The stronger Rand had an impact on revenue, but with cost controls and operational efficiencies, the impact was mitigated. It goes without saying that our operating environment was extremely challenging this year. However, I remain optimistic and envisage that the influence of the economic downturn, the unpredictable weather patterns as well as the socio-economic and political volatility in South Africa will soon reach equipoise in the short to medium-term.

PROFIT BEFORE TAX ↑ 29% R95 million (2016: R74 million)

NAV 143% 383 cents per share (2016: 158 cents per share)

MAIDEN DIVIDEND R39 million 15 cents per share

......

Review of our operations LOBSTER

The TAC for the lobster season under review remained similar to that of the prior period.

The Group's South Atlantic Brand is the leading South African lobster brand in the United States of America and its performance has increased consistently year-on-year. The SCRL is currently a strong resource from a sustainable perspective and Premier Fishing is one of the largest players in this sector.

Operating profit in this division increased marginally compared to the prior year as a result of improved efficiencies and a roll-over of stock from the prior year.

PELAGIC

The entire fishing industry experienced lower than expected catch rates for pilchards during the period under review. However, the industrial fish landings were in line with management's expectations compared to the prior year and this contributed positively to this division. Increased pricing was achieved on pilchards and anchovy which offset some of the negative impact on the pilchard landings.

SQUID

Higher landings and greater sales volumes meant that the squid division had an excellent year compared to the prior year. This resulted in lower production costs and efficiencies resulting in significantly higher margins, increased revenue and operating profits.

I am pleased to announce that post-financial year-end, Premier Fishing SA entered into a binding Heads of Agreement with Talhado Fishing Enterprises (Pty) Ltd (Talhado) to acquire up to 53,5% equity stake in their business. Talhado, is based in Port Elizabeth and operates from the East Coast. Talhado is involved in the catching, processing and marketing of squid, with both sea- and land-based freezing facilities.

Premier Fishing's strategy is to grow organically and acquisitively and with the acquisition of Talhado complements the Group's diversification strategy and extends its product basket. Synergies between Premier Fishing and Talhado are expected to be realised in the short to medium-term and will lead to further efficiencies within the existing operations and the overall Premier Group.

HAKE

This division is a joint venture between the Oceana Group and Premier Fishing and, continues to deliver good performance year-on-year.

ABALONE

The abalone division delivered excellent results for the year under review. The abalone division contributed significantly to the organic expansion of the Group, with the expansion of the farm and is a key driver for growth over the next two years.

We wish to triple the capacity in the hatchery to meet production demands for the new farm and I am happy to add that we are on track with the expansion which is anticipated to be completed by 2019/2020.

The live pack facility was completed during the year under review and is fully operational. Phases 1 and 2 of the solar energy project was completed and, is fully functional with financial benefits being realised.

COLD STORAGE

The cold storage capacity utilisation was in excess of 95% for the period under review and the facility achieved an 8% increase in pricing, resulting in improved margins.

Future outlook

The successful listing and the capital raised of R526 million during the listing, places the Group in a strong financial position to pursue its organic and acquisitive growth strategies.

Benefits from the Talhado transaction are expected to be realised in the short to medium-term and will lead to further synergies amongst the existing operations and enhance stakeholder value.

CHIEF EXECUTIVE OFFICER'S REPORT continued

With the demand for our SCRL brand, we will continue to focus on achieving year-on-year growth in USD pricing.

The abalone expansion is on track and progressing in terms of the project timeline. Upon completion of the expansion, production capacity will increase from 120 to over 300 tons per annum with revenue and profits increasing. Further employment opportunities will be created as a result of the expansion of the abalone farm.

The Premier Group will continue to aggressively pursue acquisitions in the fishing industry and the diversification of the Group's growth strategy.

Sincere appreciation

I wish to sincerely thank our non-executive Chairman, Reverend Dr Vukile Mehana, for his guidance in steering this ship to shore. To my fellow Board colleagues, a special thank you for sharing your diverse skills and experiences to benefit the growth of the Premier Group. To all our stakeholders, I would like to thank you for your unwavering support and trust in the company to deliver increased shareholder value.

To the teams and employees in the Group, without whom we would not have managed to deliver a great set of results – I thank you sincerely for your dedication, commitment and sacrifices made in order to meet our deadlines and deliver on our Vision 2020 Vision strategy. Thank you for your steadfast trust in me as the CEO of the Premier Group .

M SAMIR SABAN

CHIEF EXECUTIVE OFFICER

The charm of fishing is that it is the pursuit of what is elusive but attainable, a perpetual series of occasions for hope.

- John Buchan









CHIEF FINANCIAL OFFICER'S REPORT

Overview

The Premier Fishing Group managed to achieve significant strategic success for the year ended 31August 2017 and deliver great returns to our stakeholders with most of our divisions generating operational profit growth.

Our strategic priority for the year was to deliver earnings growth from increased operating margins in all of our divisions. This was achieved by focusing on improving our margins through tight cost control in all our operations as well as improving our operational efficiencies through more efficient catch planning and maximum utilisation of our facilities.

The Premier Group listed on the main board of the JSE on 2 March 2017 and was able to raise capital of R526 million on the listing date through the issue of 117 million new shares. The listing only had an effect on our financial performance of the Group for six months of the financial year. The capital raising strengthened our balance sheet with additional cash reserves that will be utilised with the expansion of the abalone farm and the acquisition of fishing companies.

Results overview

	2017 R'000	2016 R'000	2015 R'000
Revenue	410 733	401 692	348 874
Cost of sales	(230 586)	(239 098)	(213 017)
Gross profit	180 147	162 594	135 857
EBITDA	82 790	79 285	70 824
EBITDA margins	20%	20%	20%
Operating profit	65 151	65 156	58 536
Operating profit margins	16%	16%	16%
Headline earnings	69 826	52 518	51 763

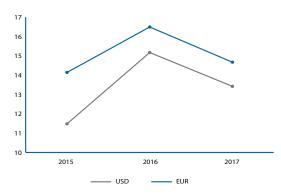
REVENUE

Revenue increased by 2% to R411 million from R402 million in the prior year, primarily due to increased sales volumes in the lobster, squid, processing and marketing divisions. Increased market prices were achieved for abalone, SCRL, squid and small pelagics (pilchards and anchovy) which contributed to the revenue growth although this was partly offset by the strengthening of the ZAR/USD exchange rate during the financial year.

SALES REVENUE BY PRODUCT	2017 R'000	2016 R'000	2015 R'000
Lobster	190 589	190 110	182 268
Pelagics	80 778	93 670	71 660
Hake	31 210	31 110	24 861
Squid	34 428	23 541	13 074
Abalone	36 186	39 697	32 415
Processing and marketing	26 909	15 959	16 570
Seagro	5 174	2 717	2 909
Cold store	5 459	4 888	5 117
Total	410 733	401 692	348 874

CHIEF FINANCIAL OFFICER'S REPORT continued

Yearly Average ZAR/USD and ZAR/EUR exchange rate



The average US\$/kg and EUR/kg sales prices for the Gepou's main products increased by 3% as compared to the prior financial year. The average ZAR/US\$ exchange rate strengthened by 12% to R13,42 from R15,17 in the prior year.

The effects of the market prices, exchange rate and volumes quantified below:

	R MILLION
Revenue 2016	402
Volumes	5
Market prices	35
Exchange rate	(31)
Revenue 2017	411

COST OF SALES

Cost of sales decreased by 4% to R231 million from R239 million in the prior year although revenue increased by 2% resulting in us increasing the gross profit margin percentage by 3%. Cost of sales are mainly composed comprised of catch costs, labour costs, processing and packaging costs as well as electricity costs.

	2017	2016	2015
COST OF SALES	R'000	R'000	R'000
Labour	43 393	38 957	35 191
Catch costs	86 118	80 272	79 805
Purchases from other quota holders	54 274	57 059	54 994
Animal feed and upkeep costs	3 459	3 764	2 910
Processing and packaging costs	38 703	36 439	32 805
Depreciation and amortisation	9 229	8 727	10 711
Movement in inventories	(4 590)	13 880	(3 399)
Total	230 586	239 098	213 017

Labour costs increased by 11% mainly as a result of additional staff hired in the abalone and Seagro divisions during the current year. The Group successfully negotiated with the unions on an annual increase of 7% for the 2018 financial year.

Catch costs, processing and packaging costs increased by 6%, which is in line with the Consumer Price Index. Increased catch rates in the SCRL, WCRL and squid operations meant that the allocated quota was caught in a shorter period of time, resulting in reduced catch per kilogram costs, even though more volumes were caught in the SCRL and squid operations. Costs saving initiatives were instituted which extracted operational efficiencies from our facilities, resulting in reduced savings in the processing costs.

Animal feed, labour costs and electricity costs are major costs for animal upkeep at our abalone farm. We implemented solar technology in the prior year, which resulted in reduced consumption at the Abalone farm and ultimately savings in electricity costs of R0,7 million. This ultimately resulted in a slight reduction in the total animal feed and upkeep costs.

The savings achieved in catching and processing costs resulted in an increase in our gross margin to 43% for the year. We also managed to increase our total stock holding at our Abalone farm by 24 tons as compared to the prior year in preparation for our farm expansion. The increase in stock holding resulted in an increase in the fair value adjustment for biological assets, which also resulted in a reduction in total cost of sales and an increase in our gross margin.

EBITDA (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)

All the operating divisions, with the exception of the pelagics division positively contributed to the Group's EBITDA. The squid, abalone, hake and lobster operations were the main contributors as a result of increased catch rates and sales volumes in the lobster and squid operations, as well as the increased stock holder at the abalone farm.

There was a general decrease in catches of pilchards for the industry which resulted in lower sales volumes in the pelagic division as well as a decrease in EBITDA.

	R MILLION
EBITDA 2016	79
Lobster	5
Pelagics	(8)
Hake	2
Squid	7
Abalone	4
Seagro	1
Cold storage	-
Processing & marketing	3
Administration & support services	(10)
EBITDA 2017	83

HEADLINE EARNINGS

Headline earnings increased by 32% to R70 million from R53 million in the prior year. The increase in headline earnings is attributable to the strong operational performance as outlined above as well as R17 million in additional interest income earned during the year. Following the listing of the Group, the R526 million capital raised was invested in a call account as there is a significant time period in which the capital is expected to be fully utilised. R17 million interest was earned on the account for the current financial year.

Financial position overview

	2017	2016
	R'000	R'000
Non-current assets	230 157	221 262
Current assets (excluding cash)	188 887	140 037
Cash and cash equivalents	541 919	23 516
Total assets	960 963	384 815
Equity	771 172	225 480
Non-current liabilities (excluding	74 585	75 107
borrowings)		
Current liabilities (excluding	86 150	68 706
borrowings)		
Bank overdraft	17 986	-
Borrowings	11 070	15 522
Total equity and liabilities	960 963	384 815

Our Group continues to show a strong financial position.

NON-CURRENT ASSETS

Non-current assets consisted mainly of property, plant and equipment. The Group spent R22 million on capital expenditure for the year, resulting in an increase in non-current assets of R9 million after accounting for depreciation. Of the R22 million capital expenditure R8 million was spent on increasing production capacity at our abalone farm and we utilised the cash that was raised on listing.

CURRENT ASSETS

Current assets consisted mainly of inventories, biological assets and trade receivables. There was an increase in the carrying amount of biological assets for the year under review of R6 million as a result of the increased stock holding to 126 tons from 102 tons in the prior year. The increase in stock holding is a result of the increased production capacity in preparation for the expansion at the abalone farm.

There was an increase of R40 million in trade and other receivables in the current year as a result of an increase in advances to other quota holders of R19 million prior to year-end. The advances were mainly to quota holders for wild abalone who were signed up for the 2017/2018 fishing season, which is set to commence in November 2017. The advances are expected to be recovered by the end of December 2017.

CASH AND CASH EQUIVALENTS

The significant increase in cash equivalents is as a result of the R526 million cash that was raised during the listing in the current year.

NON-CURRENT LIABILITIES (EXCLUDING BORROWINGS)

Current liabilities (excluding borrowings) consisted mainly of trade payables, provisions and current tax liabilities. There was an increase in the current tax liability mainly as a result of increased profitability.

CURRENT LIABILITIES (EXCLUDING BORROWINGS)

Current liabilities (excluding borrowings) consisted mainly of trade payables, provisions and current tax liabilities. There was an increase in our current tax liability which was mainly as a result of increased profitability.

Cash flow overview

	2017 R'000	2016 R'000
Cash generated from operations before movements in working capital	76 652	77 682
Movements in working capital	(36 558)	(9 301)
Net interest	14 123	(1 473)
Tax paid	(12 659)	(8 876)
Cash generated from operations	41 558	58 032
Net capital expenditure	(22 088)	(9 295)
Loans and advances	(26 570)	(20 794)
Capital raised	526 500	-
Share issue costs	(18 983)	_
Total cash movement for the year	500 417	27 943

Total cash generated from operations before working capital movements for the year was R77 million compared to R78 million in the prior financial year. There was an increase in investment in working capital during the year of R28 million compared to the current year. The increase is mainly due to advances made to wild abalone quota holders for the 2017/2018 season. The increase in the advances have resulted in an increase in contracted quota for the 2017/2018 season which will result in increased revenues in the 2018 financial year. The advances will be recovered when the fishing season commences in November 2017. The increase in working capital investment resulted in a reduction in total cash generated from operations in the current year to R42 million from R58 million in the prior year.

Net capital expenditure increased by R13 million in the current year as a result of R8 million spent on increasing production capacity at the abalone farm and R5 million spent on fishing vessels to increase efficiency.

OUR FUNDING STRATEGY AND CAPITAL ALLOCATION

R527 million net capital was raised from the issue of 117 million shares as a result of our successful listing on the main board of the JSE. Our funding strategy and capital allocation

Rigorous processes have been put in place to ensure that we allocate our capital in an optimal manner. Capital projects are evaluated by the executive committee for recommendation to the investment committee, for approval by the board of directors.

Funds are allocated to projects which are evaluated to provide the highest possible return in the shortest payback period. The project must also have strategic fit within our current business model and must be relatively simple to execute

Capital expenditure for the year amounted to R22 million and we forecast capital expenditure in the 2018 financial year to be R225 million.

ANALYSIS OF CAPITAL EXPENDITURE

	2017 R'000	2016 R'000	2015 R'000
To maintain existing operations	14 066	9 295	24 082
Expansion projects	7 995	-	-
Total	22 061	9 295	24 082

Over the past three years the majority of the Group's capital expenditure was on maintaining and extracting efficiencies from existing operations. With the successful listing, the Group has cash resources available to fund expansion activities. In the current year, R8 million was spent on expanding the abalone farm. For all expansion projects the minimum return on investment is a maximum period of five years or an internal rate of return of at least 18%. Of the R527 million capital raised, R250 million has been allocated to the abalone farm expansion, R100 million to the acquisition of the fishmeal plant and the balance has been reserved for future acquisitions.

FUNDING OF OUR CAPITAL PROJECTS

Cash generated from operations was used to fund capital expenditure on maintenance of existing operations. For the expansion projects, cash raised from the listing will be utilised.

A combination of cash and debt will be utilised to finance acquisitions of companies. H Group is lowly geared and our strong balance sheet provides us with the capability to pursue acquisitions. The gearing range of 20% to 30% is being targeted for the long-term.

Outlook for 2018

The significant capital raised during the 2017 financial year placed the Group in a strong financial position to aggressively pursue our expansion strategies. We will continue to focus on the expansion of our abalone farm and also managing our costs to ensure that our capital expenditure is within budget and the projects are delivered within the planned time frames.

We will also continue to focus on maintaining our gross margins by diligently pursing cost savings initiatives, operational efficiencies and innovative solutions within our operations.

We have entered into a Heads of Agreement (HOA) with Talhado Fishing Enterprises (Pty) Ltd (Talhado) to acquire a 50.01% stake in their business.

The effective date of the transaction is 30 November 2017 subject to conditions precedent in the HOA. The acquisition is at a four to six times historic profit after tax multiple, which is earnings enhancing to the shareholders of the Group. Talhado is the largest squid business in the South African market. The acquisition provides a strategic fit for the Group and we anticipate to extract synergies from the acquisition as well as a significant increase in the Group's revenue and profits.

Thanks and acknowledgement

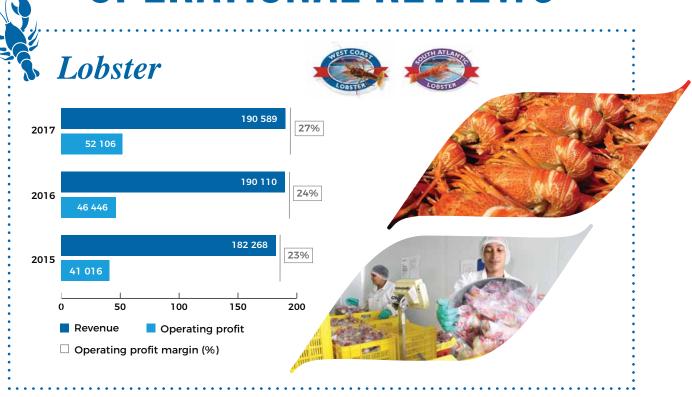
I thank the Premier Food and Fishing Group finance team for its hard work, support and commitment during the year.

I. TATENDA BUNDO

CHIEF FINANCIAL OFFICER



OPERATIONAL REVIEWS



Our lobster business experienced an increase in operating margins in the current year.

The SCRL TAC for the 2016/2017 fishing season was reduced by 3% and the WCRL TAC remained the same as that of the prior year. The fishing season for lobster is from November to September of the following year, whereas the Group's financial year is from September to August of the following year. In terms of the catches for the SCRL sector, the remaining 10% balance 2015/2016 quota was caught in the current financial year resulting in sales volumes for SCRL being higher than the prior year. The size mixes of the catches for the current and previous financial years have been mainly medium- to larger-sizes for the SCRL sector.

During the year under review, extreme weather conditions were experienced during the month of June resulting in a reduction in the available sea days for the SCRL sector. The actual catches for the 2016/2017 season were only 60% of our allocated quota as at year-end. The current indications are that catch rates are good and we expect to catch the full quota by the end of the fishing season in September.

Good catch rates were experienced in the WCRL sector resulting in less catching days than the prior year and ultimately savings on the catch costs and an improvement in margins. 96 tons of contracted quota was obtained with landings from the contracted quota of 86 tons resulted in a total of 165 tons of raw fish processed through our factory including marketing of the product. Total sales volumes of 146 tons were 4% higher than the prior as a result of improved catch rates.

SOUTH COAST ROCK LOBSTER	2017	2016	2015
TAC (tons)	331	341	359
Premier Share (tons)	133	137	144
Percentage of allocated quota caught	80	91	68
Sales volumes (tons)	115	102	118

WEST COAST ROCK LOBSTER	2017	2016	2015
TAC (tons)	1 924	1 924	1 801
Premier Share (tons)	87	87	81
Percentage of allocated quota caught	91	66	100
Contracted quota acquired (tons)	96	130	106
Percentage of contracted quota processed (tons)	91	88	90
Sales volumes (tons)			
Live lobster (tons)	118	128	160
Whole frozen lobster (tons)	17	5	-
Whole cooked frozen lobster (tons)	9	2	3
Frozen tails (tons)	2	5	3



SALES AND MARKETING

Product: FROZEN TAILS

The market for SCRL remained strong during the year under review with ongoing strong demands for the product resulting in a 3% increase in the average US\$ prices for the product. The market for SCRL remains strong and we continue to focus on achieving year-on-year growth in US\$ pricing.

» Market: SOUTH AFRICA

The focus is on the sale of live lobster for the WCRL fishery. The demand remains strong and we managed to keep our market prices stable in this fishery.

The increase in volumes and pricing resulted in a slight increase in revenue despite the Rand strengthening in the year under review to an average of R13,10 from an average of 15,20 in the prior year.

FUTURE OUTLOOK

The provisional list of successful applicants for long-term rights to catch WCRL was published by DAFF on 31 July 2017. Premier Fishing was successful with its application and was allocated a quota 7,39% of the TAC. We are currently awaiting the publication of the final list by DAFF.

MATERIAL MATTERS AFFECTING THE OPERATION

IMPACT ON OUR ABILITY TO CREATE VALUE

HOW WE RESPONDED

POSSIBLE REDUCTIONS IN TAC

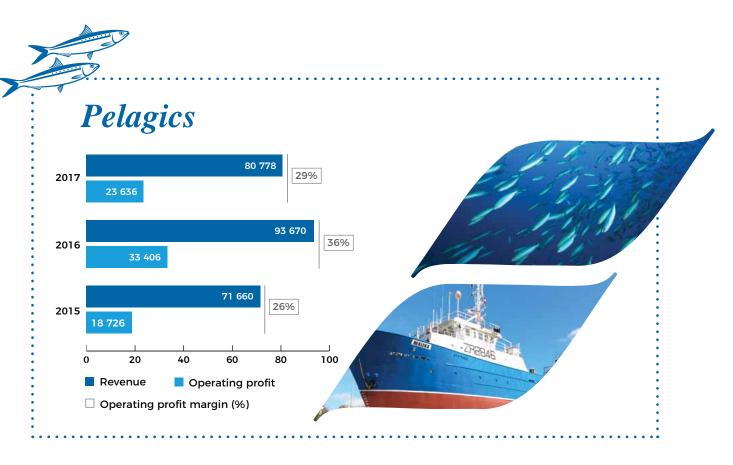
A reduction in TAC might result in lower turnover and profits for the Group.

The Group remains focussed on acquiring additional contracted quota to mitigate instances of reductions in TAC.

EXTREME WEATHER CONDITIONS

Extreme weather conditions might result in a reduced number of available sea days and reduced catches.

We implemented improved
 vessel scheduling in order to fully maximise available sea days and reduce our total catching period.



Our Pelagic business consists of pilchards and anchovy quotas which are harvested and sold locally.

Pilchards are canned and sold in the South African market and anchovy is used to produce fishmeal which is sold globally for use as animal feed. Very good catch rates were experienced in the anchovy sector resulting in higher catch volumes compared to the previous financial year. The pelagic catches were low for the entire fishing industry resulting in lower volumes being caught compared to the prior year.

The lower catch volumes for pilchards resulted in the turnover for the sector being 14% lower than the prior year. The margins achieved on pilchards are higher than those for anchovy, therefore as a result of the lower catches from pilchards there was a slight decrease in margins for the pelagic sector.

PILCHARDS	2017	2016	2015
TAC (mtons)	45 560	64 928	83 470
Premier Share (mtons)	3 383	4 821	6 184
Percentage of allocated quota caught	52	100	97
Sales volumes (mtons)	1 769	4 821	5 973
PILCHARDS	2017	2016	2015
Canned fish cartons produced	129 962	314 855	213 314
ANCHOVY	2017	2016	2015
TAC (mtons)	450 000	354 326	450 000
Premier Share (mtons)	28 585	22 508	28 585
Percentage of allocated quota caught	66	93	61

18 838

20 831

17 524

Sales volumes (mtons)



Number of vessels wholly-owned, co-owned 6



We negotiate prices for both pilchards and anchovy with our customer on a yearly basis and in the year under review we managed to achieve an 8% increase in our pricing. We also received a profit share per carton of canned pilchards produced from our pilchards' quota.

FUTURE OUTLOOK

The pilchards fishing season is from February to December. If the catch rates for pilchards improve the Group will endeavour to catch the balance of its quota during September to December. The pelagic business is one of our strategic focus areas for the 2018 financial year. We planned on acquiring a new highly efficient fishmeal plant during the 2018 financial year which will process our existing quota of anchovy to fishmeal for both the global and local markets. This will result in an increase in our margins for the anchovy business.

MATERIAL MATTERS AFFECTING THE OPERATION

IMPACT ON OUR ABILITY TO CREATE VALUE

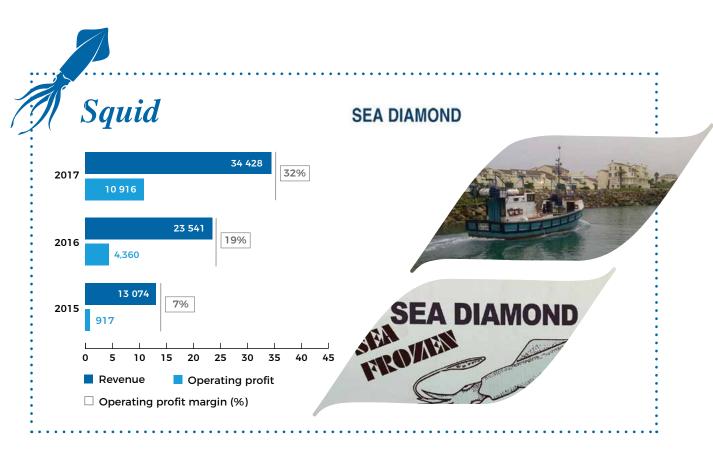
HOW WE RESPONDED

CATCH RATES FOR PILCHARDS









Our squid business experienced improved catch rates during the current financial year.

The good catch rates together with the improved Euro pricing achieved resulted in margins for the division improving during the year under review. We also experienced a significant increase in sales volumes of 100 tons from the prior year as a result of the improved catch rates. The higher sales volumes and Euro pricing resulted in an increase of 46% in turnover for the year under review

SQUID	2017	2016	2015
Tons caught	236	105	122
Contracted tons acquired	80	44	59
Sales volumes (tons)	340	240	103



SALES AND MARKETING

The European market for South African squid remains strong. A 4% increase in the Euro pricing was achieved during the year under review. Our sales and marketing team will continue to focus on the European market in the 2018 financial year and try and attain higher prices.

FUTURE OUTLOOK

The current indications are that the squid resource is stable and we expect the good catch rates experienced in the year under review to continue into the new fishing season for the 2018 financial year. As reported previously, the Group entered into a binding HOA with The acquisition of Talhado will significantly increase the revenue and operating profits of the squid division. Our current squid division is to be merged with Talhado after the acquisition and we expect to extract synergies from the merger. Revenue and operating profits of the squid division are expected to be approximately 40% of the Group's revenue and profit after the acquisition.

MATERIAL MATTERS AFFECTING THE OPERATION

IMPACT ON OUR ABILITY TO CREATE VALUE

HOW WE RESPONDED

CYCLICAL NATURE OF CATCHES DURING THE FISHING SEASON

A Cyclical catches could result in erratic catch rates and higher catch costs.

The Group continues to work with the industry and scientific work groups and utilises industry information to accommodate for seasonality and plan to catch at the most likely optimal time period.



The Premier Group trades in abalone through its Atlantic Abalone Brand.

Abalone is cultivated at our farm which is located in Gansbaai Harbour. The strategic focus for this division is mainly on expanding production to 300 tons per annum from the current 120 tons. Improvements and expansions were completed in our hatchery during year under review resulting in our spat production increasing to an average of 100 000 spat per month compared to an average of 60 000 spat production per month in the previous financial year. We have planned further improvements and expansions to our hatchery which will be completed in the 2018 financial year. The hatchery continues to consistently produce good quality spat which provides a good platform for our planned expansion in production output.

Our increased spat production and modifications done at our grow-out facility resulted in an increase in production and stock holding. We plan to install additional grow-out tanks as part of the expansion on the abalone farm in the 2018 financial year which will significantly increase our holding capacity and will provide us with a platform to increase production output.

ABALONE	2017	2016	2015
Total holdings (tons)	126	103	113

SALES AND MARKETING

Demand for abalone from our customers continues to outweigh our output. Our sales and marketing team continues to focus on growth in US\$ pricing and in the year under review we achieved an average increase of 6% in US\$ pricing across our sales categories. Our sales and marketing team is focused on securing additional geographical markets and increasing US\$ pricing in the 2018 financial year. The market continues to demand more live abalone. Live abalone sales are 70% of the total sales volumes and this is expected to continue in the foreseeable future.

Product: LIVE ABALONE Product: CANNED ABALONE » Market: HONG KONG, CHINA, TAIWAN

» Market: HONG KONG, CHINA, TAIWAN

Number of abalone facilities

ABALONE	2017	2016	2015
Total live equivalents tons processed for sale	80	88	75
Sales volumes			
Live abalone (tons)	59	64	45
Canned abalone (cartons)	589	726	848
Dried abalone (tons)	-	-	2

Total sales volumes were eight tons less than the previous year as the division focused on increasing its stock holding for the farm's expansion. The division achieved an average ZAR/US\$ exchange rate of R13,32 for the year under review which was significantly lower than the average rate of R15,34 achieved in the prior financial year. The appreciation of the ZAR resulted in a lower turnover for the year under review. However, the impact was minimised by the increase achieved in US\$ pricing.

PROCESSING

We managed to complete the construction of a live abalone packing facility at the end of the prior financial year and processing of live abalone for export commenced during the year under review. The division previously outsourced the processing of live abalone in the prior year. Operating our own live abalone processing facility resulted in a cost savings of R2 million compared to the prior financial year.

We currently outsource the processing of our abalone into canned abalone for the export market. With the increase in production output, we planned for the construction of a canning facility which we expect to be completed in the 2019 financial year which will result in further cost savings for the division.

We installed solar energy at our farm which resulted in reduced electricity consumption and further cost savings for the division.

ABALONE	2017	2016	2015
Electricity usage (kVA)	5 752	6 386	6 532



FUTURE OUTLOOK

WHICH SUPPLIES

THE FARM

Following the successful completion of the Environmental Impact Assessment, R200 million of the capital raised will be utilised to install additional capacity for the grow-out facility Construction activities have already commenced and is expected to be completed by the end of the 2019 financial year. We currently have a stable and growing pipeline of abalone and we expect to double the current production output from 120 tons to 300 tons by the end of the 2020 financial year.

MATERIAL MATTERS IMPACT ON OUR ABILITY AFFECTING THE OPERATION **TO CREATE VALUE HOW WE RESPONDED** We are in the process of installing equipment at the **INCREASING** farm which enables the cooling High sea water temperatures affect of water before it is circulated **SEA WATER** the growth rate of abalone throughout the farm in instances **TEMPERATURES** of higher-than-ideal sea water temperatures. We have utilised the services of a micro-biologist to provide **RED TIDE (LARGE** standard operating procedures **CONCENTRATIONS** in which the animals are to be Red tide reduces the oxygen content AQUATIC MICROhandled during the occurrence of in the sea water and might ultimately ... > ORGANISMS) red tide. A re-circulation system result in reduced growth rates or will be implemented with the IN THE SEA WATER

animal mortalities

red tide.

farm expansion which will enables

the farm to re-circulate clean

water during the occurrence of



The Premier Group is part a joint operation with Blue Continental Products ("BCP") for hake.

The Group's hake quota is caught, processed and marketed through the joint operation. There were improvements in catch rates for hake in the current year which resulted in increases in operating margin to 38% in the current year from the prior year margin of 31%.

SALES AND MARKETING

Demand for Cape Hake continues to be strong, and the operation experienced increases in Euro sales prices which helped to mitigate against the strengthening of the Euro in the current year.

HAKE	2017	2016	2015
TAC (tons)	123 020	123 020	123 020
Premier Share of TAC (tons)	720	720	720
Percentage of allocated quota caught	100	100	100

Product: HAKE - HEADED AND GUTTED » Market: EUROPE, SOUTH AFRICA

MATERIAL MATTERS AFFECTING THE OPERATION

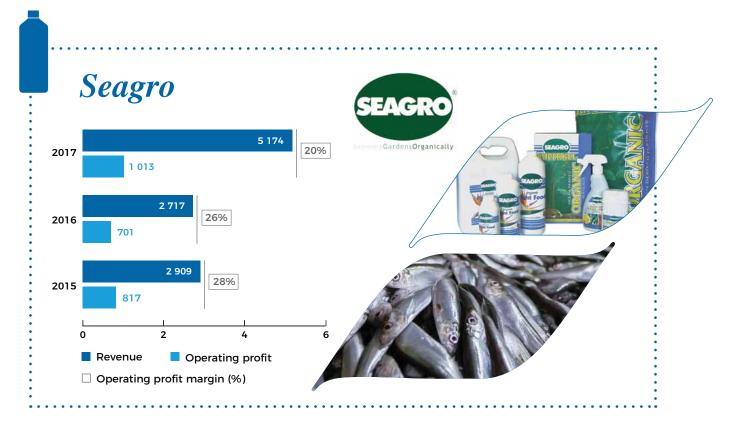
IMPACT ON OUR ABILITY TO CREATE VALUE

HOW WE RESPONDED

POSSIBLE REDUCTIONS IN TAC

The variations in size mixes might
result in a lower average market price ...

We continue to work with the industry and scientific work groups and utilise the industry information to accommodate for seasonality and plan to catch at the most likely optimal time period.



Seagro is a liquid fertiliser which is produced from fish oil. Fish oil is a by-product of the fishmeal process.

The liquid fertiliser is sold in bulk directly to farmers or in 200 millilitres, 500 millilitres, 1 litre and 5 litre bottles to the retail market. There were increased catches of anchovy which is used in making fishmeal and ultimately there was an increase in fish oil supply during the current year which enabled us to manufacture increased volumes of Seagro in the current year

SEAGRO	2017	2016	2015
Fish oil concentrate purchased (litres)	169 889	178 778	172 333
Fish oil concentrate processed (litres)	152 900	160 900	155 100
Sales volumes (litres)	111 614	90 320	97 518

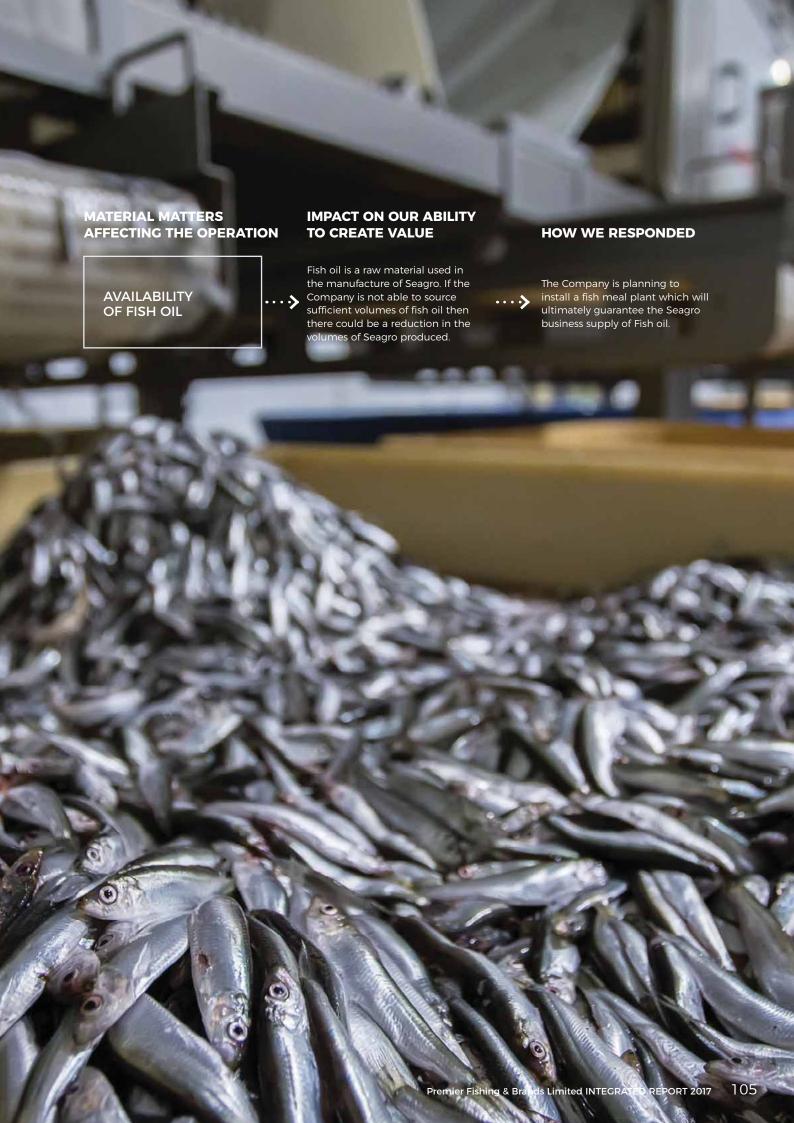
Product: SEAGRO ORGANIC	LIQUID FERTILISER » Market: SOUTH AFRICA
Location: SALDANHA BAY	Number of facilities

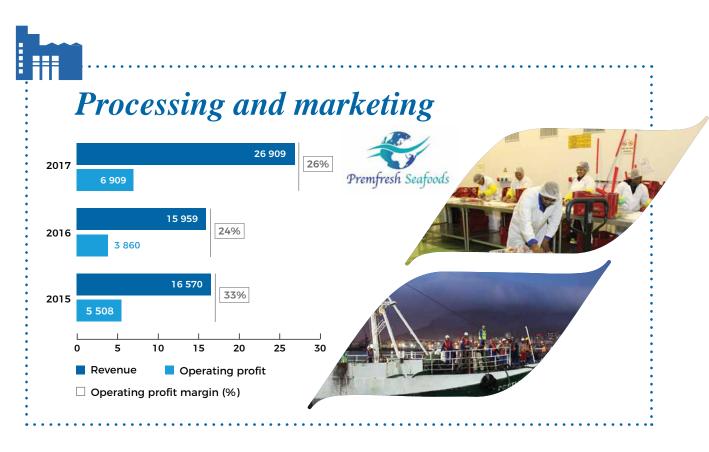
SALES AND MARKETING

The drought which was experienced in the prior financial year resulted in lower sales volumes in the prior year. There were better rainfall patterns experienced in the northern part of South Africa which resulted in increased demand for fertiliser in the current year and ultimately in increased sales volumes. The increase in the amount of available fish oil (raw material) also enabled us to meet the increased demand. We were also able to achieve a 10% increase in our market prices during the current financial year.

FUTURE OUTLOOK

The Premier Group plans to install a new and efficient fishmeal plant in the 2018 financial year. The installation of the plant will guarantee the Seagro business availability of fish oil a raw material used to manufacture Seagro. This will also enable the Seagro business to increase output and turnover in the future.





The Premier Group enters into agreements with other quota holders for WCRL and wild abalone in which the Group processes their quotas and markets it on their behalf.

The Group then earns a processing and marketing fee. We managed to increase the volume of contracted quota for wild abalone in the current year which resulted in increased revenues for the processing and marketing operation.

The Group continues to focus on acquiring additional contracted quota.

PROCESSING AND MARKETING	2017	2016	2015
Contracted WCRL sold (tons)	77	82	86
Wild abalone TAC (tons)	95	95	95
Contracted wild abalone acquired (tons)	30	24	20
Total contracted wild abalone processed	30	24	20
Sales volumes			
Wild live abalone (tons)	2	1	4
Wild canned abalone (cartons)	806	256	581
Wild dried abalone (tons)	1	-	-
Wild frozen abalone (tons)	1	1	-

SALES AND MARKETING

There continues to be a strong demand for wild abalone. We managed to achieve a 5% increase in average US\$ pricing across all our sales categories. Our sales and marketing team continues to focus on securing additional geographical markets and an increase in US\$ pricing in the 2018 financial year.

FUTURE OUTLOOK

The Premier Group continues to focus on obtaining more contracted quotas and current indications are that there will be an increase in contracted quota for both WCRL and wild abalone.

MATERIAL MATTERS AFFECTING THE OPERATION

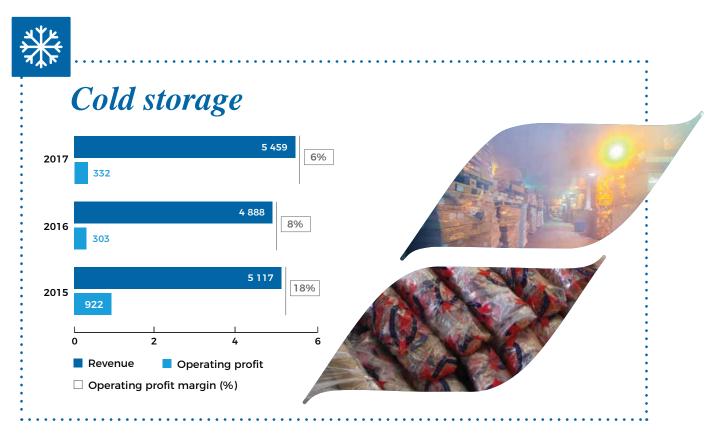
IMPACT ON OUR ABILITY TO CREATE VALUE

HOW WE RESPONDED

A DELAY IN THE FINAL ALLOCATION OF FISHING RIGHTS FOR WCRL

A delay in the final allocation of fishing rights affects our ability to acquire contracted quota

We continuously engage with the rights holders that were on the provisional list of successful applicants so that we can quickly obtain agreements when the list is finalised.



The cold storage business is a warehouse facility for both the Group's products and for external customers as well.

There was an increase in the total warehouse space utilised for third parties which resulted in an increase in revenue in the current financial year. We were also able to achieve an 8% increase in pricing which assisted in maintaining margins for the operation.

COLD STORAGE	2017	2016	2015
Number of pallets handled for internal operations	1 885	2 540	1 848
Number of pallets handled for external customers	3 574	3 400	4 959

Products handled: FROZEN FISH, DRY GOODS » Market: SOUTH AFRICA

Location: V&A WATERFRONT Number of facilities

MATERIAL MATTERS AFFECTING THE OPERATION

IMPACT ON OUR ABILITY TO CREATE VALUE

HOW WE RESPONDED

UNDER UTILISATION OF CAPACITY DUE TO LOWER STORAGE

Lower customer storage capacity

We are currently offering storage space for dry goods in addition to frozen product in order to mitigate against any reduced demand for frozen product storage.







AUDIT AND RISK COMMITTEE REPORT

1. MEMBERS OF THE AUDIT COMMITTEE

The members of the audit committee are all independent non-executive directors of the Group and include:

Name

Takudzwa Tanyaradzwa (Chairman) Rosemary Phindile Mosia Arthur William Johnson

Qualification

BCom (Hons) CA(SA), ACMA, CGMA PDM, BCTA, MBL BA Law (UCT), BCom (UCT), CFA

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act, 71 of 2008 (No. 71 of 2008) as amended, ("Companies Act") and Regulation 42 of the Companies Regulation, 2011. The nomination committee will meet shortly to start the process to reconstitute the committee.

2. MEETINGS HELD BY THE AUDIT COMMITTEE

The audit committee performs the duties laid upon it by section 94(7) of the Companies Act, 71 of 2008 (No. 71 of 2008) as amended, ("Companies Act") by holding meetings with the key roleplayers on a regular basis and by the unrestricted access granted to the external auditors. The nomination committee will meet shortly to start the process to reconstitute the committee.

3. EXTERNAL AUDITOR

The audit and risk committee nominated Grant Thornton Cape Inc. as the independent auditor and Mr I Hashim as the designated partner, who is a registered independent auditor, for appointment of the 2017 audit.

The committee satisfied itself through inquiry that the external auditors are independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The audit and risk committee in consultation with executive management, agreed to the terms of engagement. The audit fee for the external audit was considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope of the audit. The audit and risk committee considered and pre-approved all non-audit services provided by the external auditors and the fees relative there to so as to ensure the independence of the external auditors is maintained.

4. ANNUAL FINANCIAL STATEMENTS

Following the review of the annual financial statements the audit committee recommend board approval thereof.

5. EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

As required by the JSE Listings Requirement 3.84(h), the audit and risk committee assessed the competence and performance of the chief financial officer and is satisfied that he has the appropriate expertise and experience. The committee is satisfied with the expertise and adequacy of the resources within the finance department and the experience of the finance staff.

6. INTERNAL AUDIT AND OBJECTIVE AND SCOPE OF THE AUDIT

For further information on the activities of the internal audit function and the objectives and scope of the audit conducted during the year under review, kindly refer to the report of the audit and risk committee.

On behalf of the audit committee

TAKUDZWA TANYARADZWA HOVE

Chairman Audit and Risk committee

24 October 2017

COMPANY SECRETARY CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY

I declare that, to the best of my knowledge, the company has lodged all such returns and notices as are required of a public company in terms of the Companies Act, and that such returns and notices are true, correct and up to date.

per NOBULUNGISA MBALISELI

Company secretary

24 October 2017

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, (No. 71 of 2008 as amended), ("Companies Act") to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards, The SAICA financial reporting guides issued by the Accounting Practice committee, the listing requirements of the JSE Ltd and Companies Act. The external auditors are engaged to express an independent opinion on the annual financial statements.

The directors and company acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost- effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group and Company's cash flow forecast for the year to 31 August 2018 and, in light of this review and the current financial position, they are satisfied that the Group and the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group and Company's annual financial statements and their report is presented on pages 115 to 118.

The financial statements set out on pages 122 to 165, which have been prepared on the going concern basis, were approved by the board of directors on 24 October 2017 and were signed on their behalf by:

MOGAMAT SAMIR SABAN

Director

KHALID ABDULLA

Director



Chartered Accountants (SA)

Grant Thornton Cape Inc. 6th Floor, Grant Thornton House 123 Hertzog Boulevard, Foreshore Cape Town PO Box 2275, Cape Town, 8000 Dx 158 Cape Town T +27 (0)21 417 8800 F+27 (0)21 417 8700 www.grantthornton.co.za

INDEPENDENT AUDITOR'S REPORTTo the shareholders of Premier Fishing and Brands Limited Group

Audit report on the consolidated financial statements

OPINION

We have audited the consolidated financial statements of Premier Fishing and Brands Limited (the group) set out on pages 119 to 165, which comprise the statement of financial position as at 31 August 2017, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated and financial position of the group as at 31 August 2017, and its consolidated and financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Directors: M.H. Abbas, K.M. Bowman, S.F. Cillié, D. Forbes, M. Fourie, J.G. Glass, M. Hanekom (PE), I. Hashim, D. Honeyball (PE), B. Jackson, H.C. Kilian (PE), B.J. Lodewyk F. Mohamed, J.M. Nield, F. Rhoda, H.J. Salmon, I.M. Scott (Managing), N.I. Strybis, B. van der Walt, Y. Weaver-Sasman, M.S. Willimott (PE)

INDEPENDENT AUDITOR'S REPORT continued To the shareholders of Premier Fishing and Brands Limited Group

Key audit matter

How our audit addressed the key audit matter

Residual values of vessels (Consolidated financial statements)

The residual values are reviewed annually by management.

In determining the residual value, management applies judgement in determining the estimated amount that entity would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Accordingly, the residual values of vessels was considered to be a key audit matter, due to the significance of the estimates and the level of judgement applied by management.

The disclosures relating to vessels are contained in note 1 (accounting policies) and note 3.

Our audit procedures included an assessment of the reasonability of the residual values, namely:

- We have inspected a management resolution to confirm that management have reviewed the residual values.
- We have discussed the reasonableness of the residual values used with management, as well as with managements' expert, and
- We have obtained an experts assessment of the residual values, confirming that the residual values are reasonable.

Physical quantities of Biological Assets (Consolidated financial statements)

Biological assets comprise of live abalone and are held in various weight categories. It is impractical to count all the abalone on a given day, due to factors such as the delicate nature of the abalone and the quantity of abalone held at the

As such, the quantities are determined through a process known as grading, which involves the periodic process of categorising systematic batches of abalone across the farm. Through this continual process and the use of industry growth algorithms, the number and average weight of the abalone is

Physical quantities of biological assets was a key audit matter due to the significant contribution to the consolidated results of the Group

The disclosures relating to biological assets are contained in note 1 (accounting policies) and notes 13 and 35 (financial disclosures).

In assessing the quantity of the biological assets, we obtained an understanding of the overall control environment as well as the processes which have been implemented by management and which have been overseen by those charged with governance.

Audit procedures included the attendance of the periodic grading on site, in order to observe the appropriateness of controls implemented in applying sampling methodologies, as well as to confirm the adherence to appropriate biological inventory processes.

Reliance is placed on the inventory systems utilised by the

Impairment of Fishmeal plant (Consolidated financial statements)

The Fishmeal plant, located at Saldanha, is carried at cost less accumulated depreciation and accumulated impairment.

In accordance with IAS 36 - impairment of assets, management annually assess whether there is any indication that the plant may be impaired.

In assessing whether there is an indication of impairment, management applied judgement in:

- · Determining whether any impairment indicators exists, and
- · Determining the recoverable amount, being the higher of the assets fair value less costs to sell and its value in use.

Accordingly, the impairment assessment of the fishmeal plant was considered to be a key audit matter, due to the quantitative significance and the level of judgement involved.

The disclosures relating to property, plant and equipment are contained in note 1 (accounting policies) and notes 3.

In assessing the impairment assessment performed by management, we performed the following:

- Physically inspected the fishmeal plant,
- Discussed with management whether any impairment indication exists,
- Discussed with management the method in which management has estimated the recoverable amount, and
- Obtained a representation from management confirming that the plant is not impaired.

Reviewed the method and key inputs used by management in determining the estimated recoverable amount.

We have also obtained an independent third party quotation, determining a replacement cost of the plant in its current location and condition. We have assessed this quotation by:

- · Discussing the method used in determining the value of the plant with the third party service provider,
- · Confirming that the third party is independent.
- Assessed the experience and expertise of the service provider.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT continued To the shareholders of Premier Fishing and Brands Limited Group

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Grant Thornton Cape Incorporated has been the auditor of Premier Fishing and Brands Limited for 20 years.

GRANT THORNTON CAPE INC.

Gran Thomson Cat In

Registered Auditors

Registration number: 2010/016204/21

Imtiaaz Hashim

Partner

Registered Auditor Chartered Accountant (SA)

24 October 2017 6th Floor, Grant Thornton House, 123 Hertzog Boulevard, Foreshore Cape Town

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Premier Fishing and Brands Limited and its subsidiaries ("the Group") for the year ended 31 August 2017.

1. NATURE OF BUSINESS

Premier Fishing and Brands Limited ("PFB") is an investment entity incorporated in South Africa with interests in the fishing industry. The Group operates in South Africa and is engaged in commercial harvesting, processing and marketing of marine resources. The Group's principal operations are catching, processing and marketing of pelagic (pilchards and anchovy), west coast rock lobster, south coast rock lobster, squid and hake. The Group also earns rental income by renting out its warehousing facilities through which it offers cold and dry storage for clients. The Group is also involved in aquaculture (abalone farming) as well as the manufacture of environmental friendly fertiliser products (organic liquid fertiliser).

During the current year, PFB was listed on the main board of the Johannesburg Stock Exchange ("JSE") on 2 March 2017. On 2 March 2017, an additional 117 000 000 ordinary shares were issued to the public in a private placement as part of the Group's capital raising and the listing of the Company on the main board of the Johannesburg Stock Exchange (JSE).

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, the SAICA financial reporting guides issues by the Accounting Practices committee, the Listing Requirements of the JSE Limited and the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated and separate annual financial statements. Refer to note 32 - Group Segmental Analysis for a detailed breakdown of the proportion of net income or loss attributable to the various divisions in the Group.

3. CORPORATE GOVERNANCE

The directors subscribe to the principles incorporated in King IV™ Report on Corporate Governance™ for South Africa 2016 (King IV™) and save as disclosed in the corporate governance review, have complied as far as practical with principles contained therein throughout the reporting period. The directors recognise the need to conduct the Company with integrity and in accordance with generally accepted corporate practices. The Board and the Board committees have reviewed the Group and Company's corporate governance policies and procedures in the current year and no issues were identified.

4. GOING CONCERN

The directors believe that the Group and Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the Group and Company annual financial statements have been prepared on a going-concern basis. The directors have satisfied themselves that the Group and Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any material changes that may adversely impact the Group and Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and Company.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

5. EVENTS AFTER THE REPORTING PERIOD

The Group, through its subsidiary Premier Fishing SA (Pty) Ltd, has entered into a binding Heads of Agreement with Talhado Fishing Enterprises (Pty) Ltd to acquire a 50,01% stake in their business. The effective date of the transaction is 30 November 2017 subject to the conditions precedent in the Heads of Agreement. The business is one of the largest squid players in the South African market and the acquisition fits in line with our growth strategy to expand organically or through acquisitive growth. This acquisition will also increase the diversification of our product basket.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

DIRECTORS' REPORT continued

6. SHARE CAPITAL

Refer to note 15 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital.

7. DIVIDENDS

A final dividend of 15 cents per share was approved by the board of directors on 19 October 2017 in South African Rand in respect of the year ended 31 August 2017. The dividend is payable on 5 February 2018 to shareholders recorded in the register of the Company at close of business on 30 January 2018.

8. REPORT OF THE AUDIT AND RISK COMMITTEE

The report of the audit and risk committee, as required in section 94(7)(f) of the Companies Act, is set out on page 112 of these financial statements.

9. BOARD EVALUATION OF THE AUDIT AND RISK COMMITTEE

The board of directors believes that the committee has satisfied its responsibilities for the year in compliance with the terms of reference of the Companies Act.

10. DIRECTORATE

The directors in office at the date of this report are as follows:

Director	Office	Designation	Date of appointment
MS Saban	Chief executive officer	Executive	1 February 2017
IT Bundo	Chief financial officer	Executive	1 February 2017
R Isaacs	Sales and marketing director	Executive	1 February 2017
Prof VC Mehana	Chairman	Non-executive	1 February 2017
K Abdulla	Deputy Chairman	Non-executive	1 December 2008
S Young	-	Non-executive	1 February 2017
CF Hendricks	-	Non-executive	6 July 2009
AB Amod	-	Non-executive	13 January 2014
TT Hove	-	Non-executive	1 February 2017
RP Mosia	-	Non-executive	1 February 2017
CL Van der Venter	-	Non-executive	1 February 2017
AW Johnson	-	Non-executive	1 February 2017
LS Naidoo	-	Non-executive	1 February 2017
FEC Brand	-	Non-executive	1 February 2017

11. LIQUIDITY AND SOLVENCY

The directors have performed the required liquidity and solvency tests required by the Companies Act as amended for the Group. The directors are satisfied that the Group is solvent and have no reason to believe that the business will not be a going concern in the year ahead.

12. DIRECTORS' INTERESTS IN SHARES

Interest in share capital

Directors

	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
Salim Young	50 000	-	-	-	0,01%
Clifford Leonard van der Venter	33 000	-	-	-	0,01%
Total	83 000	-	-	-	0,02%

These have been no changes in the directors' interest in shares between 1 September 2016 and the date of this report.

No director held shares in the Company in the prior year.

13. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the consolidated annual financial statements in notes 6 and 7. There were no significant acquisitions or divestitures during the year ended 31 August 2017.

14. ULTIMATE HOLDING COMPANY

The Group's ultimate holding company is African Equity Empowerment Investments Limited which holds 55% (2016: 100%) of the Group's equity. African Equity Empowerment Investments Limited is listed on the JSE Limited.

15. SECRETARY

The Company Secretary is Miss N Mbaliseli.

Postal address PO Box 181

Waterfront Cape Town 8000

Business address: Quay 7

East Pier V & A Waterfront Cape Town 8001

16. COMPANY SECRETARY

As required by JSE Listings Requirement 3.84(i), the Board has satisfied itself that the Company Secretary has the appropriate expertise, competence and experience. The company secretary is accountable to the Board and the following duties, among other things, were carried out:

- guidance to the directors in terms of their duties, responsibilities, powers, training and induction of the responsibilities and liabilities under the Companies Act;
- making the Board aware of any law relevant to and/or affecting the Company;
- preparation of Board packs and recording of proper detailed minutes of meetings;
- ensuring proper and orderly conduct at all Board, committee and annual general meetings;
- disclosure of corporate actions of SENS announcements and directors' dealings in securities;
- preparation and timeous delivery of the integrated report and annual general meeting notice and proxy to shareholders;
- compliance with JSE Listings Requirements and the Companies Act; and
- updated Board policies, Board charters in compliance with statutory, regulatory and legislative requirements.

All directors have access to the advice and services of the company secretary. The Board considered the competence, qualifications and experience of the company secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the remuneration committee of the Company regarding the Company Secretary's qualifications, experience and performance.

17. AUDITORS

The audit committee recommend that Grant Thornton Cape Inc. continue in office as the independent external auditors for the company and its subsidiaries in accordance with section 90 of the Companies Act.

PREMIER FISHING AND BRANDS LIMITED GROUP STATEMENT OF FINANCIAL POSITION

as at 31 August 2017

ASSETS Non-current assets Property, plant and equipment Goodwill Intangible assets Loans to Group companies Deferred tax Current assets Inventories	Notes 3 4 5 8 9	2017 R'0000 130 107 18 165 62 81 758 65 230 157	2016 R'000
Non-current assets Property, plant and equipment Goodwill Intangible assets Loans to Group companies Deferred tax Current assets Inventories	3 4 5 8 9	130 107 18 165 62 81 758 65	124 596 18 165 41 78 396 64
Non-current assets Property, plant and equipment Goodwill Intangible assets Loans to Group companies Deferred tax Current assets Inventories	4 5 8 9	18 165 62 81 758 65	18 165 41 78 396 64
Property, plant and equipment Goodwill Intangible assets Loans to Group companies Deferred tax Current assets Inventories	4 5 8 9	18 165 62 81 758 65	18 165 41 78 396 64
Goodwill Intangible assets Loans to Group companies Deferred tax Current assets Inventories	4 5 8 9	18 165 62 81 758 65	18 165 41 78 396 64
Intangible assets Loans to Group companies Deferred tax Current assets Inventories	5 8 9	62 81 758 65	41 78 396 64
Loans to Group companies Deferred tax Current assets Inventories	8 9	81 758 65	78 396 64
Current assets Inventories	9	65	64
Current assets Inventories			
Inventories	10	230 157	001 001
Inventories	10		221 262
	10		
	10	43 083	42 379
Trade and other receivables	11	89 620	48 270
Other financial assets	12	1 707	1 065
Current tax receivable		154	154
Biological assets	13	54 323	48 169
Cash and cash equivalents	14	541 919	23 516
		730 806	163 553
Total assets		960 963	384 815
EQUITY AND LIABILITIES			
Equity			
Stated capital	15	507 517	-
Reserves	16	8 014	8 014
Retained income		255 566	217 466
		771 097	225 480
Liabilities			
Non-current liabilities			
Other financial liabilities	17	7 651	10 764
Operating lease liability		1 243	2 065
Post-employment medical costs	18	1 075	1 153
Deferred tax	9	72 341	71 889
		82 310	85 871
Current liabilities			
Trade and other payables	19	55 455	53 243
Loans from Group companies	8	_	1 478
Other financial liabilities	17	3 419	3 280
Current tax payable	28	21 752	8 119
Provisions	20	8 944	7 344
Bank overdraft	14	17 986	-
		107 556	73 464
Total liabilities		189 866	159 335
Total equity and liabilities		960 963	384 815

PREMIER FISHING AND BRANDS LIMITED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 August 2017

		2017	2016
	Notes	R'000	R'000
Revenue	21	410 733	401 692
Cost of sales		(230 586)	(239 098)
Gross profit		180 147	162 594
Other operating income		1 249	2 647
Other operating expenses		(116 245)	(100 085)
Operating profit	23	65 151	65 156
Investment revenue	24	33 015	11 349
Finance costs	25	(3 323)	(2 986)
Profit before taxation		94 843	73 519
Taxation	26	(26 743)	(21 411)
Profit for the year		68 100	52 108
Other comprehensive income		-	_
Total comprehensive income for the year		68 100	52 108
Earnings per share information			
Basic earnings per share (cents)	30	33,77	36,44
Diluted earnings per share (cents)	30	33,77	36,44

PREMIER FISHING AND BRANDS LIMITED GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2017

	Share capital R'000	Reserves R'000	Retained income R'000	Total equity R'000
Balance at 1 September 2015	-	8 014	189 358	197 372
Profit for the year Other comprehensive income	-	-	52 108 -	52 108 -
Total comprehensive income for the year	-	-	52 108	52 108
Dividends	-	-	(24 000)	(24 000)
Total contributions by and distributions to owners of Company recognised directly in equity	-	-	(24 000)	(24 000)
Balance at 1 September 2016	-	8 014	217 466	225 480
Profit for the year Other comprehensive income			68 100 -	68 100 -
Total comprehensive income for the year	-	-	68 100	68 100
Issue of shares Share issue costs Dividends	526 500 (18 983) -	- - -	- (30 000)	526 500 (18 983) (30 000)
Total contributions by and distributions to owners of Company recognised directly in equity	507 517	-	(30 000)	477 517
Balance at 31 August 2017	507 517	8 014	255 566	771 097
Notes	15	16		

PREMIER FISHING AND BRANDS LIMITED GROUP STATEMENT OF CASH FLOWS

for the year ended 31 August 2017

		2017	2016
	Notes	R'000	R'000
Cash flows from operating activities			
Cash receipts from customers		376 255	402 492
Cash paid to suppliers and employees		(336 161)	(334 111)
	27	/0.00/	
Cash generated from operations Interest income	27	40 094 17 446	68 381 1 357
Finance costs	20	(3 323)	(2 830)
Tax paid	28	(12 659)	(8 876)
Net cash from operating activities		41 558	58 032
Cash flows from investing activities			
Purchase of property, plant and equipment to sustain operations	3	(14 066)	(9 295)
Purchase of property, plant and equipment to expand operations	3	(7 995)	_
Purchase of intangible assets	5	(27)	_
Loans received from Group companies		_	10 000
Loans advanced to Group companies		(21 485)	(42 020)
Loans to Group companies repaid		_	10 000
Loans from Group companies repaid		(1 478)	(8 678)
Repayment of financial assets		_	42
Financial assets advanced		(641)	-
Net cash from investing activities		(45 692)	(39 951)
Cash flows from financing activities			
Proceeds on share issue	15	526 500	_
Share issue costs	15	(18 983)	_
Proceeds from other financial liabilities		_	12 548
Repayment of other financial liabilities		(2 966)	(2 686)
Net cash from financing activities		504 551	9 862
Total cash movement for the year		500 417	27 943
Cash at the beginning of the year		23 516	(4 427)
Total cash at end of the year	14	523 933	23 516

PREMIER FISHING AND BRANDS LIMITED GROUP ACCOUNTING POLICIES

for the year ended 31 August 2017

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 (No. 71 of 2008) as amended, ("Companies Act") of South Africa, as amended.

The annual financial statements have been prepared on the historical cost basis, except where otherwise stated, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Business combinations

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

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

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

Interests in joint ventures

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

Jointly controlled operations

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

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

1.3 Investments in subsidiaries

Separate Financial Statements

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

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

1.4 Significant judgements and sources of estimation uncertainty

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

Key sources of estimation uncertainty Trade receivables and loans and receivables

The Group assesses its trade receivables and loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of comprehensive

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.4 Significant judgements and sources of estimation uncertainty continued

income, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Impairment testing

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

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

Assumptions applied for impairment testing of goodwill:

Risk-free rate – R207 Government Bonds Beta – 1,01 to 1,10 Discount rate – 18,16% to 22,10%.

Property, plant and equipment

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

Provisions

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

Intangible assets

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

Biological assets

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

Investment in subsidiaries

Valuation Method

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

Application of methodology

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

Terminal value growth rates

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

PREMIER FISHING AND BRANDS LIMITED GROUP ACCOUNTING POLICIES continued

for the year ended 31 August 2017

Terminal values

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

Discount rate

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

Risk-free rate

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

Rots

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

Market risk premium

A market risk premium was utilised in all valuations.

Value of equity

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

Fair value determination

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting period.

Discounted cash flows are used to determine fair value for the investments in subsidiary companies. The use of a discounted cash flow analysis requires the estimation of a number of significant components, including the future expected cash flows and the weighted average cost of capital used to perform the discounting. Many of these factors may have a material impact on the valuation.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

Item	Average useful life
Land	Indefinite
Buildings	5 to 40 years
Leasehold property	5 to 40 years
Plant and machinery	2 to 30 years
Furniture and fixtures	2 to 12 years
Motor vehicles	2 to 5 years
Office equipment	3 to 20 years
Computer equipment	1 to 3 years
Vessels	3 to 32 years
Assets under construction	N/A

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

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.6 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events; and
- the fair value or cost of the asset can be measured reliably.

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

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

1.7 Intangible assets

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

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

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

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

Item	Useful life
Patents and trademarks	4 to15 years
Fishing quotas	4 years

1.8 Financial instruments

Initial recognition and measurement

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

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

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

Loans to (from) Group companies

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

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

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

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

Loans from Group companies are measured at amortised cost.

Trade and other receivables

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

PREMIER FISHING AND BRANDS LIMITED GROUP ACCOUNTING POLICIES continued

for the year ended 31 August 2017

Cash and cash equivalents

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

Bank overdraft and borrowings

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

1.9 **Tax**

Current tax assets and liabilities

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

Deferred tax assets and liabilities

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

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

Tax expenses

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

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

1.10 Leases

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

Operating leases - lessor

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

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

Operating leases - lessee

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

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

1.11 Inventories

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.12 Impairment of assets

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

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

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

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

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

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

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

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

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

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

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

1.13 Employee benefits

Post-employment medical aid cost

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

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

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

1.14 Provisions

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

PREMIER FISHING AND BRANDS LIMITED GROUP ACCOUNTING POLICIES continued

for the year ended 31 August 2017

1.15 Revenue

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

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

Rental income relates to revenue earned from the letting out of the Group's cold storage, dry storage and warehousing facilities. This is recognised over the period of the relevant rental agreements entered into with its customers.

Service revenue relates to processing, marketing and distribution services offered to the Group's outside quota holders. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

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

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

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

Interest revenue comprises of interest earned on bank accounts and interest earned on loans to Group companies. Interest revenue is recognised, in profit or loss, using the effective interest rate method.

Quota usage revenue is recognised on a straight line basis over the term of the agreement.

Dividend Income is recognised when the shareholder's right to receive payment is established.

1.16 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.17 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.18 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- · costs that relate directly to the specific contract;
- · costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.19 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions with other Group segments. Segment results are determined before any adjustments for minority interests.

Segment assets and liabilities comprise the operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the Group's statement of financial position.

Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely, property, plant and equipment, and intangible assets other than goodwill.

Business segments comprise the following which is aggregated upon consolidation:

Fishing: - Lobster

- Pelagics

- Hake

- Squid

Aquaculture: - Abalone

- Seagro

Services: - Processing and marketing

- Cold storage.

Refer to note 32 for the financial detail of how each operating segment has performed during the year under review.

PREMIER FISHING AND BRANDS LIMITED GROUP NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

2. **NEW STANDARDS AND INTERPRETATIONS**

2.1 Standards and interpretations effective and not adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Not applicable
 Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation 	1 January 2016	Not material
 Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 	1 January 2016	Not applicable
 Amendment to IAS 27: Equity Method in Separate Financial Statements 	1 January 2016	Not applicable
 Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption. 	1 January 2016	Not applicable
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	1 January 2016	Not applicable
Amendment to IFRS 5: Non-current Assets Held for Sale		
and Discontinued Operations: Annual Improvements project	1 January 2016	Not applicable
 Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project 	1 January 2016	Not material
 Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements 	1 January 2016	Not material
 Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project 	1 January 2016	Not applicable

2.2 Standards and interpretations not yet effective

	Effective date: Years beginning	
Standard/Interpretation:	on or after	Expected impact:
• IFRS 16 Leases	1 January 2019	Not material
IFRS 15 Revenue from Contracts with Customers	1 January 2017	Impact is currently being assessed
IFRS 9 Financial Instruments	1 January 2018	Not material
 Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 	1 January 2099	Impact is currently being assessed
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January 2018	Impact is currently being assessed
 Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions 	1 January 2018	Not material
 Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts 	1 January 2018	Not applicable
Amendments to IAS 7: Disclosure initiative	1 January 2017	Not material
 Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses 	1 January 2017	Not material
IFRIC 23: Uncertainty over income tax treatments	1 January 2019	Not material

3. **PROPERTY, PLANT AND EQUIPMENT**

	Cost R'000	2017 Accumulated depreciation R'000	Carrying value R'000	Cost R'000	2016 Accumulated depreciation R'000	Carrying value R'000
Land	2 632	_	2 632	2 632	-	2 632
Buildings	3 765	(1 185)	2 580	3 133	(1 031)	2 102
Leasehold property	15 594	(12 367)	3 227	15 594	(11 966)	3 628
Plant and machinery	137 455	(98 285)	39 170	135 282	(94 299)	40 983
Furniture and fixtures	2 385	(1 956)	429	2 367	(1 906)	461
Motor vehicles	4 474	(3 508)	966	4 235	(3 243)	992
Office equipment	717	(599)	118	714	(574)	140
Computer equipment	2 461	(1 970)	491	2 229	(1 720)	509
Vessels	175 684	(99 709)	75 975	171 174	(98 025)	73 149
Assets under construction	4 519	-	4 519	-	-	_
Total	349 686	(219 579)	130 107	337 360	(212 764)	124 596

Reconciliation of property, plant and equipment

2017	Opening balances R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	2 632	-	-	-	2 632
Buildings	2 102	632	-	(154)	2 580
Leasehold property	3 628	-	-	(401)	3 227
Plant and machinery	40 983	2 216	(3)	(4 026)	39 170
Furniture and fixtures	461	18	-	(50)	429
Motor vehicles	992	240	_	(266)	966
Office equipment	140	8	(2)	(28)	118
Computer equipment	509	250	(4)	(264)	491
Vessels	73 149	14 178	(2 286)	(9 066)	75 975
Assets under construction	-	4 519	-	-	4 519
	124 596	22 061	(2 295)	(14 255)	130 107

2016	Opening balances R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	2 632	_	-	_	2 632
Buildings	1 692	526	-	(116)	2 102
Leasehold property	4 080	12	-	(464)	3 628
Plant and machinery	42 495	2 508	(63)	(3 957)	40 983
Furniture and fixtures	340	179	(19)	(39)	461
Motor vehicles	803	393	-	(204)	992
Office equipment	117	49	-	(26)	140
Computer equipment	619	141	-	(251)	509
Vessels	76 465	5 487	(454)	(8 349)	73 149
	129 243	9 295	(536)	(13 406)	124 596

PREMIER FISHING AND BRANDS LIMITED GROUP NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2017

3. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Property, plant and equipment pledged as security

The following assets have been encumbered as security for the secured long-term borrowings 17:

	2017	2016
	R'000	R'000
Motor vehicles	348	495
Vessels	14 065	15 213

Refer to note 17 for loan balances, installment amounts, interest rates charged and maturity dates of loans.

Details of properties

Premier Fishing SA Proprietary Limited has land located in the Overstrand Municipality on Erf 1727 measuring 3,7 hectares and Erf 3819 measuring 6 hectares. The land is registered under Title Deeds T455052/2002 and T160/1938.

4. GOODWILL

		2017			2016	
		Accumulated Carrying			Accumulated	Carrying
	Cost	impairment	value	Cost	impairment	value
	R'000	R'000	R'000	R'000	R'000	R'000
Goodwill	31 370	(13 205)	18 165	31 370	(13 205)	18 165

Reconciliation of goodwill	Opening balance	Total
2017		
Goodwill	18 165	18 165
2016		
Goodwill	18 165	18 165

Goodwill arose from the acquisition of an additional 50% shareholding in Premfresh Seafoods Proprietary Limited in the 2007 financial year and the acquisition of 100% shareholding in Marine Growers Proprietary Limited in the 2008 financial year. Premfresh Seafoods Proprietary Limited is now 100% held by Premier Fishing SA Proprietary Limited. The remainder of the goodwill balance relates to the acquisition of 100% shareholding in Sekunjalo Food and Fishing Proprietary Limited and Sekfish Investments Proprietary Limited. The accumulated impairment was as a result of goodwill arising from the acquisition of Premfresh Seafoods Proprietary Limited being written down in full during the 2009 financial year.

Impairment testing

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

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

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

	2017	2016
Abalone division		
Discount rate	18,57%	18,68%
Number of years	5	5
Growth rate	4,5%	4,50%
Fishing division		
Discount rate	14,22%	14,19%
Number of years	5	5
Growth rate	4,5%	4,50%

Allocation of goodwill to cash-generating units

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

	2017	2016
	R'000	R'000
Abalone division	14 136	14 136
Fishing division	4 029	4 029
	18 165	18 165

5. **INTANGIBLE ASSETS**

	Cost R'000	2017 Accumulated amortisation R'000	Carrying value R'000	Cost R'000	2016 Accumulated amortisation R'000	Carrying value R'000
Trademarks	156	(94)	62	130	(89)	41
Fishing quota	1 217	(1 217)	-	1 217	(1 217)	-
Total	1 373	(1 311)	62	1 347	(1 306)	41

Reconciliation of intangible assets

2017	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Trademarks	41	27	(6)	62

2016	Opening balance R'000	Amortisation	Total R'000
Trademarks	46	(6)	40
Fishing quota	196	(196)	_
	243	(202)	41

Other information

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

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

PREMIER FISHING AND BRANDS LIMITED GROUP NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2017

6. INTERESTS IN SUBSIDIARIES

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

		Percentage	Percentage
		holding	holding
Name of Company	Held by	2017	2016
Sekfish Investments Proprietary Limited	Sekunjalo Food and Fishing Proprietary Limited	100	100
Premier Fishing SA Proprietary Limited	Sekfish Investments Proprietary Limited	100	100
Marine Growers Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
Premfresh Seafoods Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
Kuttlefish Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
Seagro Fertilisers Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
Atlantic Fishing Enterprises Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
Chapman's Peak Fisheries Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
Fish Drying Corporation Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100
John Ovenstone Limited	Premier Fishing SA Proprietary Limited	100	100
John Quality Proprietary Limited	Premier Fishing SA Proprietary Limited	100	100

The following table lists the entity which is controlled directly by the Company. The percentage of voting power is the same as the percentage of shareholding.

Company

	Percentage	Percentage
	holding	holding
Name of Company	2017	2016
Sekunjalo Food and Fishing Proprietary Limited	100	100

7. **JOINT ARRANGEMENTS**

Joint operations

The following joint operations are material to the Group:

			Percentage ownership interest	
Joint operation		Country of operation	2017	2016
Premier - BCP Hake Joint Venture	South Africa		48%	48%
Premier - Seacat Joint Venture	South Africa		50%	50%
Bloudam Joint Venture	South Africa		38%	38%

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

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

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

Percentage

Percentage

Joint ventures

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

		ownership interest	ownership interest	Carrying amount	Carrying amount
Name of Company	Held by	2017	2016	2017	2016
Premier Select Proprietary Limited	Premier Fishing SA Proprietary Limited	50	50	-	-
Summarised financial inform Summarised Statement of Co	•				
Summansed Statement of Co	imprenensive income			2017	2016
Operating expenses				(7)	(7)
Loss before tax			(7)	(7)	
Loss after tax			(7)	(7)	
Total comprehensive income				(7)	(7)
Summarised Statement of Fire	nancial Position				
Assets					
Non-current assets				12	19
Current assets					
Cash and cash equivalents				86	87

Total comprehensive income	(7)	(7)
Summarised Statement of Financial Position		
Assets		
Non-current assets	12	19
Current assets		
Cash and cash equivalents	86	87
Trade receivables	107	107
Total current assets	193	194
Liabilities		
Non-current liabilities		
Loans from shareholders	722	722
Total non-current liabilities	722	722
Current liabilities		
Trade payables	45	45
Total current liabilities	45	45
Total net assets	(562)	(554)
Reconciliation of net assets to equity accounted investments in joint venture		
Interest in joint venture at percentage ownership	(277)	(277)
Cumulative unrecognised losses	277	277
Carrying value of investment in joint venture	-	-

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

PREMIER FISHING AND BRANDS LIMITED GROUP NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2017

7. **JOINT ARRANGEMENTS CONTINUED**

THE PART AND THE CONTINUED		
Summary of the Group's interest in joint operations	2017 R'000	2016 R'000
Premier - BCP Hake Joint Venture		
Revenue	65 020	64 813
Cost of sales	(33 803)	(37 716)
Other operating income	2 454	364
Operating expenses	(8 282)	(7 058)
Interest income	1 196	776
Total comprehensive income	26 585	21 179
Share of total comprehensive income	12 761	10 166
Current assets		
Inventories	4 521	1 268
Trade and other receivables	10 959	8 514
Cash and cash equivalents	18 180	14 435
Total current assets	33 660	24 217
Current liabilities		
Trade and other payables	(9 913)	(7 732)
Total current liabilities	(9 913)	(7 732)
Net assets	23 747	16 485
Share of net assets	11 399	7 912
Premier - Seacat Joint Venture	11 333	, 312
Revenue	11 104	6 431
Cost of sales	(3 641)	(3 880)
Operating expenses	(4 559)	(1 024)
Other income	202	-
Interest income	76	63
Total comprehensive income	3 182	1 590
Share of total comprehensive income	1 591	795
Current assets		
Inventories	419	287
Trade and other receivables	1 549	177
Cash and cash equivalents	1 789	1 456
Total current assets	3 757	1 920
Current liabilities		
Trade and other payables	(575)	(330)
Total current liabilities	(575)	(330)
Net assets	3 182	1 590
Share of net assets	1 591	795
Bloudam Joint Venture		
Revenue	894	729
Cost of sales	(484)	(83)
Operating expenses	(1 442)	(1 256)
Total comprehensive income	(1 032)	(610)
Share of total comprehensive income	(392)	(232)
Current assets		
Other financial assets	1 113	-
Total current assets	1 113	_
Other financial liabilities	(2 123)	(537)
Trade and other payables	(22)	(73)
Total current liabilities	(2 145)	(610)
Net assets	(1 032)	(610)
Share of net assets	(392)	(233)
The summarised information presented above reflects the full financial positi		

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

		007.7
	2017 R'000	2016 R'000
LOANS TO/(FROM) GROUP COMPANIES		
Joint venture		
Premier Select Proprietary Limited	-	397
The loan was interest-free and unsecured		
Holding Company		
African Equity Empowerment Investments Limited - Ioan 1	72 415	62 092
Interest is charged at the prime bank overdraft rate plus 5%. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.		
African Equity Empowerment Investments Limited - loan 2 Interest is charged at the prime bank overdraft rate plus 1,5%. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.	9 343	15 907
	81 758	78 396
Fellow subsidiary espAfrika Proprietary Limited Interest was charged at a rate of 7% per annum. The loan was unsecured and was repayable on demand.	-	(1 478)
Non-current assets	81 758	78 396
Current liabilities	-	(1 478)
	81 758	76 918

Credit quality of loans to Group companies

8.

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

Fair value of loans to and from Group companies

The carrying value of the loans approximate fair value.

PREMIER FISHING AND BRANDS LIMITED GROUP NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2017

	2017 R'000	201 R'00
DEFERRED TAX		
Deferred tax liability		
Property, plant and equipment	(21 606)	(23 07
Fair value gain on loan	(2 793)	(2 79
Fair value adjustment on investment in subsidiary	-	
Shipping allowance	(39 651)	(38 10
Prepaid expenses	(677)	(66
Intangibles	(17)	(1
Biological assets	(15 210)	(13 48
	(79 954)	(78 13
Deferred tax assets netted off against the deferred tax liability	7 613	6 24
Total net deferred tax liability	(72 341)	(71 88
Deferred tax asset		
Income received in advance	395	29
Operating lease liability	348	57
Provisions	2 805	2 57
Deferred tax balance from temporary differences other		
than unused tax losses	3 548	3 44
Tax losses available for set-off against future taxable income	4 130	2 86
	7 678	6 30
Assets netted off against the deferred tax liability	(7 613)	(6 24
	65	(

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability Deferred tax asset	72 341 65	71 889 64
Total net deferred tax liability	(72 276)	(71 825)
Reconciliation of deferred tax asset/(liability)		
At beginning of year	(71 825)	(62 472)
Increase due to change in capital gains tax rate	-	(468)
Accelerated capital allowances on property, plant and equipment	1 466	921
Tax loss available for set off against future taxable income	1 267	(1 889)
Intangible assets	(5)	56
Operating lease liabilities	(230)	(36)
Income received in advance	(104)	215
Provisions	426	332
Fair value adjustments on biological assets	(1 723)	(562)
Shipping allowances	(1 550)	(7 255)
Prepaid expenses	(10)	(667)
Prior year deferred tax misstatement	(196)	
	(72 276)	(71 825)

Recognition of deferred tax asset

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

10.	INVENTORIES		
	Raw materials, components	2 106	1 934
	Finished goods	35 291	35 619
	Consumables	5 686	4 826
		43 083	42 379

Wild canned abalone was written off to its net realisable by an amount of R601 070.

	2017	2016
	R'000	R'000
TRADE AND OTHER RECEIVABLES		
Trade receivables	46 569	32 400
Prepayments	1 284	1 525
Value added taxation	5 364	3 875
Accrued interest	3 283	-
Amounts receivable from other quota holders	24 497	5 889
Advances to contracted fishermen	2 275	1 950
Deposits	202	195
Employee costs in advance	17	55
Insurance claims	314	54
Prepayments to related parties	1 136	858
Amounts receivable from related parties	4 534	1 173
Other receivables	145	296
	89 620	48 270

Trade and other receivables pledged as security

11.

Trade and other receivables were ceded as security for overdraft facilities of R35 million (2016: R35 million) of the Group. Refer to note 14 for more details.

Credit quality of trade and other receivables

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

	2017	2016
	R'000	R'000
Fair value of trade and other receivables		
Trade and other receivables	46 569	32 400

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

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 60 days past due are not considered to be impaired. At 31 August 2017, (2016: R1 953 279) were past due but not impaired. Trade receivables of R101 128 were written off as a bad debt in Marine Growers Proprietary Limited.

Age analysis of trade receivables:				
Current	34 313	20 711		
0 to 30 days	1 676	4 023		
30 to 60 days	3 106	450		
60 to 90 days	1 510	5 940		
Over 90 days	5 964	1 276		
Total	46 569	32 400		
The carrying amount of trade and other receivables are denominated in the following currencies:				
Rand	31 704	21 890		
US Dollar	12 146	10 510		
Euro	2 719			
Total	46 569	32 400		

for the year ended 31 August 2017

	2017 R'000	2016 R'000
OTHER FINANCIAL ASSETS		
Loans and receivables		
Bloudam Joint Venture	1 222	1 065
The loan is unsecured and bears no interest.		
Premier Seacat joint venture	485	-
The loan is unsecured and bears no interest		
	1 707	1 065
Current assets		
Loans and receivables	1 707	1 065
Fair values of loans and receivables		
Loans and receivables	1 707	1 065

	Opening balance R'000	i Sales R'000	n fair value, births and deaths R'000	Total R'000
BIOLOGICAL ASSETS Reconciliation of biological assets - Group 2017 2017				
Abalone	48 169	(37 852)	44 006	54 323
2016				
Abalone	46 162	(41 223)	43 230	48 169

	2017 R'000	2016 R'000
Non-financial information		
Quantities of each biological asset		
Abalone - Kgs	126 490	102 501

Pledged as security

The carrying value of biological assets have been ceded as security to Absa Bank Limited. Refer to note 14 for further details.

Methods and assumptions used in determining fair value

For fair value information refer to note 36.

	2017 R'000	2016 R'000
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	51	41
Bank balances	541 868	23 475
Bank overdraft	(17 986)	-
	523 933	23 516
Current assets	541 919	23 516
Current liabilities	(17 986)	-
	523 933	23 516

The bank overdrafts in the Group are secured by:

- Unlimited suretyship by Premier Fishing SA Proprietary Limited;
- Unlimited suretyship by Premfresh Seafoods Proprietary Limited, supported by a cession of loan accounts;
- · Unlimited suretyship by Marine Growers Proprietary Limited, supported by a cession of loan accounts;
- · Unlimited suretyship by African Equity Empowerment Investments Limited;
- Cession of debtors and foreign currency accounts;
- Negative pledge undertaking not to increase external borrowing any higher;
- First Maritime Bond of R1 200 000 registered over fishing vessel Lubbetjie;
- First Maritime Bond of R1 900 000 registered over fishing vessel Mizpah;
- Special Notarial Bond Number BN23802/2008 for R3 450 000 over fishing vessels Southern Knight and Southern Horizon
- General Notarial Bond Number BN23803/2008 for R50 000 000 over stock, moveable assets, plants and equipment and vessel equipment;
- First Maritime Bond for R40 959 500 by Premier Fishing SA Proprietary Limited over marine vessels with the carrying value of R41 697 044.
- First Continuing Covering Mortgage Bond Number B28343/2008 for R10 000 000 over Erf 11 St Helena Bay held under Deed of Transfer Number T46847/2002;
- Second Maritime Bond of R4 400 000 registered over fishing vessel Lubbetjie;
- Second Maritime Bond of R6 100 000 registered over fishing vessel Mizpah; and
- Cession of fire and sasria policy for fishing vessels with a carrying value of R41 697 044.

Guarantees are as follows:

Nedbank: R182 000

14.

 Other securities: Cession of Nedbank call accounts and agreement to set off current account and foreign advance accounts

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

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

	2017	2016
	R'000	R'000
Credit rating		
Absa Bank Limited BBB	513 701	15 464
Nedbank Limited BBB	1 399	1 069
Standard Bank Limited BBB	8 782	6 942
	523 882	23 475

for the year ended 31 August 2017

	2017	2016
STATED CAPITAL		
Authorised shares		
Ordinary shares	2 000 000 000	1 000
Issued shares		
Ordinary shares	260 000 000	100
Reconciliation of number of shares issued:		
Opening balance	100	100
Shares split	142 999 900	-
ssue of shares – ordinary shares	117 000 000	-
	260 000 000	100
	2017	2016
	R'000	R'000
Issued capital		
260 000 000 ordinary shares of no par value		
(2016: 100 ordinary shares of R1,00 each)		
	526 500	-
Capitalised share issue costs	(18 983)	-
	507 517	_

At the end of the 2016 financial year, there were 100 shares in issue of R1,00 each.

On 1 February 2017, the share capital of Premier Fishing and Brands Limited was altered by:

- converting the entire authorised and issued share capital from par value shares of R1,00 each into no par value shares;
- increasing the authorised share capital from 1 000 ordinary shares of R1,00 each into 2 000 000 000 ordinary no par value shares; and
- subdividing each share in the Company's authorised and issued share capital into 1 430 000 shares.

The authorised share capital of the Company is 2 000 000 000 ordinary shares of no par value.

On 2 March 2017, an additional 117 000 000 ordinary shares were issued to the public on a private placement as part of the capital raising exercise and the listing of the Company on the main board of the Johannesburg Stock Exchange (JSE).

On 31 August 2017, the issued share capital of the Company was 260 000 000 ordinary shares of no par value. (2016: 100 ordinary shares of R1,00 each)

		2017 R'000	2016 R'000
16.	RESERVES		
	Capital redemption reserve fund	8 014	8 014

A capital redemption reserve fund arose when a subsidiary had a share buy-back in the prior years.

	2017 R'000	2 R'
	K 000	
OTHER FINANCIAL LIABILITIES		
Held at amortised cost	6/7	,
Absa Bank Limited - Asset Finance The loans are for a term of 48 to 60 months. Repayable in monthly instalments of:	647	1
R3 241:		
• R5 319:		
• R6 767:		
• R26 665: and		
• R35 528 ending on 30 November 2020.		
The interest rates charged on the loans at 31 August 2017 are:		
• 10.00%:		
• 10,50%; and		
• 11,75%;		
Secured by motor vehicles with a carrying value of R348 008 (2016: R495 429) and vessels		
with a carrying value of R14 064 627 (2016: R15 213 236).		
Absa Bank Limited - Revolving Loan	1 111	1
The interest rate charged on the loan at 31 August 2016 is 10,50%. The loan is repayable		
in monthly instalments of R56 632 ending on 31 August 2018. The loan was used in the		
purchase of Marine Growers Proprietary Limited by Premier Fishing SA Proprietary Limited.		
Netsurit Technology Rentals Proprietary Limited	-	
The loan was repayable in monthly instalments of R20 962 ending 31 October 2016.		
The loan was secured by computer equipment with a carrying value of R88 778		
(2016: R185 628)		
Absa Bank Limited - Project Finance	8 743	11
The interest rate charged on the loan at 31 August 2017 is 10,335%. The loan is		
repayable in monthly instalments of R203 333 ending on 31 March 2021. African Equity		
Empowerment Investments Limited has provided a limited guarantee for the loan to Absa Bank Limited.		
Premier Seacat Joint Venture	569	
The loan is interest-free, unsecured and repayable on demand.		
	11 070	14
Non-current liabilities		
At amortised cost	7 651	10
Current liabilities		
At amortised cost	3 419	3
	11070	14

for the year ended 31 August 2017

		2017	2016
		R'000	R'000
18.	POST-EMPLOYMENT MEDICAL COSTS		
	Carrying value	1 075	1 153
	Opening balance	1 153	1 328
	Decrease/(increase) in provision for medical aid benefits		
		(78)	(175)
	Closing balance	1 075	1 153

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

TRADE AND OTHER PAYABLES		
Trade payables	23 010	24 680
Accrued expenses	5 285	3 603
Accrued audit fees	1 197	849
Payroll accruals	6 844	5 481
Amounts received in advance	2 178	1 628
Value added taxation	499	497
Amounts due to other quota holders	12 376	3 601
Amounts due to related parties	-	7 877
Income received in advance from related parties	1 335	1 208
Payroll accruals for related parties	2 731	3 819
	55 455	53 243
The carrying amounts of amounts received in advance are denominated in the following cu	ırrencies:	
Rand	28	29
US Dollar	2 119	1 572
Euro	31	27
Total	2 178	1 628

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

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

	2017	2016
	R'000	R'000
PROVISIONS Closing balance	8 944	7 344

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Reconciliation of provisions				
2017				
Leave pay provision	1 600	2 791	(2 450)	1 941
Commission provision	2 268	150	(2 268)	150
Bonus provision	2 138	2 911	(2 138)	2 911
Provision for municipal electricity, rates and levies	1 338	3 942	(1 338)	3 942
	7 344	9 793	(8 193)	8 944

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year	Total R'000
2016					
Leave pay provision	1 693	2 384	(2 155)	(322)	1 600
Commission provision	1 650	2 268	(1 650)	-	2 268
Bonus provision	2 072	2 137	(2 466)	395	2 138
Provision for municipal electricity, rates					
and levies	1 266	1 338	(1 266)	-	1 338
	6 682	8 126	(7 536)	72	7 344

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

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

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

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

		2017	2016
		R'000	R'000
21.	REVENUE		
	Sale of goods	379 220	368 697
	Rendering of services	14 711	20 353
	Rental income	16 802	12 642
		410 733	401 692

for the year ended 31 August 2017

		2017	2016
		R'000	R'000
22.	OPERATING PROFIT/(LOSS) Operating profit for the year is stated after accounting for the following:		
	operating profit for the year is stated after accounting for the following.		
	Management fees expenses to the holding company	12 480	13 284
	Loss on disposal of property, plant and equipment	2 295	569
	Loss on exchange differences	2 979	521
	Amortisation on intangible assets	6	201
	Depreciation on property, plant and equipment	14 255	13 407
	Employee costs	63 358	57 213
	Loan written off	397	-
	Fair value gain on biological assets	6 153	2 007
23.	INVESTMENT REVENUE		
	Interest revenue		
	Bank	20 079	695
	Group companies	12 285	9 992
	Quota holders	651	662
	Total investment revenue	33 015	11 349
2/1	FINANCE COSTS		
∠¬.			156
	Group companies	- 2715	
	Bank	2 315	2 488
	Late payment of tax	1 008	342
	Total finance costs	3 323	2 986

	2017 R'000	2016 R'000
5. TAXATION	K 666	11 000
Major components of the tax expense		
Current		
South African normal taxation	26 146	11 942
Local income tax - recognised in current tax for prior periods	146	116
	26 292	12 058
Deferred		
Originating and reversing temporary differences	181	8 885
Changes in tax rates	-	468
Arising from prior period adjustments	270	
	451	9 353
	26 743	21 41
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate		
Applicable tax rate	28,00%	28,00%
Donations and interest disallowed	0,30%	0,409
Consulting and legal fees Fines	0,49%	
Change in capital gains tax rate	0,8%	0.74%
Utilisation of previous unrecognised tax loss	(0,44%)	0,749
Prior year under/over provision of tax	0,15%	(0,02%
Utilisation of previous unrecognised assessed loss	(0,38%)	(0,027)
	28,20%	29,12%
6. CASH GENERATED FROM OPERATIONS		
Profit before taxation	94 843	73 518
Adjustments for:	54 643	/3310
Depreciation and amortisation	14 261	13 608
Loss on sale of assets	2 295	569
Interest income	(33 015)	(11 349
Finance costs	3 323	2 986
Loan written off	397	
Movements in operating lease assets and accruals	(822)	(129
Movements in post-employment medical costs liability	(78)	(176
Movements in provisions	1 600	662
Fair value adjustments of biological assets	(6 153)	(2 00
Changes in working capital:		
Inventories	(704)	(15 888
Trade and other receivables	(38 065)	(287
	2 212	6 873
Trade and other payables		

for the year ended 31 August 2017

	_	
	2017	2016
	R'000	R'000
TAX PAID		
Balance at beginning of the year	(7 965)	(4 783)
Current tax for the year recognised in profit or loss	(26 292)	(12 058)
Balance at end of the year	21 598	7 965
	(12 659)	(8 876)
COMMITMENTS		
Authorised capital expenditure		
Not yet contracted for and authorised by directors	223 000	12 519
This committed expenditure relates to the abalone farm expansion and the acquisition of a The expenditure will be financed by available finance resources.	fishmeal plant.	
Operating leases - as lessee		
Minimum lease payments due (contractual amounts)		
- within one year	6 040	8 349
- in second to fifth year inclusive	1 232	7 273
	7 272	15 622
Operating leases - as lessee		
Minimum lease payments due (smoothed amounts)		
- within one year	5 131	7 529
- in second to fifth year inclusive	1 236	6 030
	6 367	13 559

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

29. EARNINGS PER SHARE

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

	2017 cents	2016 cents
Basic earnings per share	33,77	36,44
Diluted earnings per share	33,77	36,44

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

	2017 R'000	2016 R'000
Earnings attributable to owners of Premier Fishing and Brands Limited	68 100	52 108
Weighted average number of shares	201 660	143 000
Headline earnings per share Headline earnings is determined as follows:		
Earnings attributable to owners of Premier Fishing and Brands Limited Adjusted for:	68 100	52 108
Effect of loss on disposal of property, plant and equipment gross of tax	2 295	569
Taxation effect	(643)	(159)
Headline earnings	69 752	52 518
	2017	2016

	2017 cents	2016 cents
Headline earnings per share	34,59	36,73
Diluted headline earnings per share	34,59	36,73

30. SUBSEQUENT EVENTS

The Group, through its subsidiary Premier Fishing SA Proprietary Limited, has entered into a binding Heads of Agreement with Talhado Fishing Enterprises Proprietary Limited to acquire a 50,01% stake in their business. The effective date of the transaction is 30 November 2017, subject to the conditions precedent in the Heads of Agreement. The business is one of the largest squid players in the South African market and the acquisition fits in line with our growth strategy to expand organically or through acquisitive growth. This acquisition will also increase the diversification of our product basket.

for the year ended 31 August 2017

31. RELATED PARTIES

Relationships

Ultimate holding Company African Equity Empowerment Investments Limited

Subsidiaries Refer to note 6
Joint ventures Refer to note 7

Fellow subsidiary companies Health Systems Technologies Proprietary Limited

Sekunjalo Technologies Solutions Group Proprietary Limited

Sekunjalo Health Care Limited Ribotech Proprietary Limited Sekpharma Proprietary Limited Bioclones Proprietary Limited ESP Afrika Proprietary Limited

Emergent Energy Proprietary Limited Wynberg Pharmaceutical Proprietary Limited

Tripos Tourism Investments Proprietary Limited

Magic 828 Proprietary Limited Cosmetic Orleans Proprietary Limited Repassen 56 Proprietary Limited MCI South Africa Proprietary Limited Integrated Bioworks Proprietary Limited

Commonly controlled entity Cape Sunset Villas CC

Independent News and Media Proprietary Limited

African News Agency Proprietary Limited

Independent Online Property Joint Venture Proprietary Limited

Insights Publishing Proprietary Limited

African Technology and Media Holdings Proprietary Limited

Directors Refer to Director's report
Members of key management Mogamat Samir Saban

Isaiah Tatenda Bundo Shaun Bhana

Rushaan Isaacs Shaun Solomon Jean-Pierre Coetzer

	2017 R'000	2 R'
RELATED PARTIES CONTINUED Related party balances		
Loans receivable from related parties Premier Select Proprietary Limited	_	
African Equity Empowerment Investments Limited	81 758	77
Bloudam Joint Venture	1 222	,,
Premier Seacat Joint Venture	484	
Premier Fishing SA Proprietary Limited	-	
Loans payable to related parties		
espAfrika Proprietary Limited	-	1
Premier Fishing SA Proprietary Limited	_	
Premier Seacat Joint venture	569	
Prepaid expenses to related parties		
Independent News and Media Proprietary Limited	1 136	
Amounts receivable from related parties		
African Equity Empowerment Investments Limited	473	
African News Agency Proprietary Limited	22	
Bioclones Proprietary Limited	559	
Emergent Energy Proprietary Limited	-	
espAfrika Proprietary Limited	215	
Health Systems Technologies Proprietary Limited	17	
Independent News and Media Proprietary Limited	92	
Insights Publishing Proprietary Limited	32	
Magic 828 Proprietary Limited	226	
Independent Online Property	2	
Ribotech Proprietary Limited	13	
Sekpharma Proprietary Limited	19	
Sekunjalo Technology Solutions	16	
Tripos Tourism Investments Proprietary Limited	37	
Wynberg Pharmaceutical Proprietary Limited	2 899	
BCP Hake Joint Venture	5 639	
Premier Seacat Joint Venture	32	
African Technology and Media	1	
Amounts payable to related parties		
African Equity Empowerment Investments Limited	-	6
Cape Sunset Villas Close Corporation	332	
Health System Technologies	8	
Emergent Energy Proprietary Limited	-	
Wynberg Pharmaceutical Proprietary Limited	8	
Income received in advance from related parties Independent News and Media Proprietary Limited	1 335	1
	1 333	ļ
Related party transactions Interest received from related parties		
African Equity Empowerment Investments Limited	12 284	9
espAfrika Proprietary Limited	12 204	9
	_	
Dividends paid to related parties		
African Equity Empowerment Investments Limited	30 000	24
Consumables purchased from related parties		
Wynberg Pharmaceuticals Proprietary Limited	54	
Rent received from related parties		
Independent News and Media Proprietary Limited	5 666	5
Wynberg Pharmaceuticals Proprietary Limited	2 400	
Bioclones Proprietary Limited	480	

for the year ended 31 August 2017

	2017 R'000	2 R'
RELATED PARTIES CONTINUED		
Administration fees paid to related parties		
African Equity Empowerment Investments Limited	12 481	13
	12 431	13
HR Fee income received from related parties		
Emergent Energy Proprietary Limited	15	
Magic 828 Proprietary Limited	71	
Insights Publishing Proprietary Limited	12	
Independent Online Property Joint Venture Proprietary Limited	26	
Sekunjalo Health Care Limited	28	
Ribotech Proprietary Limited	4	
Bioclones Proprietary Limited	31	
Sekpharma Proprietary Limited	4	
Independent News and Media Proprietary Limited	119	
African News Agency Proprietary Limited	123	
Health System Technologies Proprietary Limited	185	
Tripos Tourism Investments Proprietary Limited	39	
African Technology and Media Holdings Proprietary Limited	11	
Integrated Bioworks	3	
MCI South Africa Proprietary Limited	17	
Computer expenses paid to related parties		
Health System Technologies Proprietary Limited	51	
Sekunjalo Technology Solutions	208	
Rent paid to related parties		
Cape Sunset Villas Close Corporation	569	
·		
Subscriptions expense from related parties	F 773	4
Independent News and Media Proprietary Limited	5 771	4
Listing fees paid		
African Equity Empowerment Investments Limited	6 000	
Sales to related parties		
espAfrika Proprietary Limited	69	
African Equity Empowerment Investments Limited	2 926	
Wynberg Pharmaceuticals	181	
Administration fees received from related parties		
Premier SEACAT joint venture	109	
•		
Travel and entertainment paid on behalf of related parties		
Tripos Travel Proprietary Limited	175	
African Equity Empowerment Investments Limited	501	
Advertising expenses paid to related parties		
Independent News and Media Proprietary Limited	192	
Commission received from related parties		
Premier SEACAT joint venture	109	
Compensation to directors and other key management		
Salaries	5 671	5
Travel allowance	29	5
Bonus	1 200	1
Medical aid contributions	63	1
Pension and Provident Fund contributions	680	
- S.S.S., G. G. FONGOTT FAIR CONTINUED IN		
	7 643	6

Directors interests in shares	Direct beneficial	Direct non- beneficial	Indirect beneficial	Indirect non- beneficial	Total percentage
S Young	50 000	-	-	-	0.01
CL Van der Venter	33 000	-	-	_	0.01
	83 000	-	-	-	0.02

32. GROUP SEGMENTAL ANALYSIS

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

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

Fishing:

- Lobster
- Pelagics
- Hake
- Squid

Acquaculture:

- Abalone
- Seagro

Services:

- Processing and marketing
- Cold storage

	SEGMENT REVENUE		SEGMEN	T PROFIT	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000	
Lobster	190 589	190 110	52 106	46 446	
Pelagics	80 778	93 670	23 636	33 406	
Hake	31 210	31 110	12 013	9 794	
Squid	34 428	23 541	10 916	4 360	
Abalone	36 186	39 697	13 241	13 015	
Cold storage	9 555	8 720	332	303	
Seagro	5 174	2 717	1 013	701	
Processing and marketing	26 909	15 959	6 996	3 860	
	414 829	405 524	120 253	111 885	
Less intersegmental sales	(4 096)	(3 832)	-	_	
Adminstration and support services	-	-	(61 255)	(48 864)	
Fair value gains	-	-	6 153	2 007	
Interest income	-	-	33 015	11 477	
Finance costs	-	-	(3 323)	(2 986)	
	410 733	401 692	94 843	73 519	

The intersegmental sales are in respect of cold storage charges to the Lobster segment.

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

for the year ended 31 August 2017

	2017 R'000	2016 R'000
GROUP SEGMENTAL ANALYSIS CONTINUED		
Segment assets		
Lobster	75 140	69 106
Pelagics	94 743	82 448
Hake	15 935	11 624
Squid	10 701	6 047
Abalone	84 216	78 113
Cold store	628	1 038
Seagro	6 181	2 312
Processing and marketing	35 358	20 726
Administration and support services	637 996	113 337
	960 898	384 751
Unallocated	65	64
Consolidated total assets	960 963	384 815
Segment liabilities		
Lobster	12 820	6 421
Pelagics	11 258	7 625
Hake	4 757	3 711
Squid	7 124	371
Abalone	6 478	3 440
Processing and marketing	14 158	9 969
Administration and support services	60 929	55 908
	117 525	87 445
Unallocated	72 341	71 890
Consolidated total liabilities	189 866	159 335

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

	DEPRECIATION AND AMORTISATION			O PROPERTY, EQUIPMENT
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Lobster	5 669	6 366	3 238	2 930
Pelagics	6 307	4 959	10 505	2 711
Squid	623	457	1 270	805
Abalone	1 148	1 237	6 671	2 489
Cold store	46	77	-	234
Seagro	237	252	-	-
Processing and marketing	1	5	-	-
Administration and support services	230	254	377	126
	14 261	13 607	22 061	9 295

32. GROUP SEGMENTAL ANALYSIS CONTINUED

Geographical information

The Group operates in South Africa.

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

	2017	2016
	R'000	R'000
United States of America	118 801	105 476
Far East	110 029	111 248
Europe	60 232	53 587
South Africa	121 671	131 381
	410 733	401 692

Information about major customers

Included in revenue are revenues of approximately R162 million (2016: R163 million) which arose from sales to the Group's largest customers. These customers belong to the lobster and pelagic segments.

33. **DIRECTORS' EMOLUMENTS**

The directors in office at the date of this report are as follows:

Executive

31 August 2017	Salary	Bonus	Pension/ Provident fund	Total
MS Saban IT Bundo R Isaacs	1 266 790 614	315 150 113	139 92 67	1 720 1 032 794
Total	2 670	578	298	3 546
31 August 2016				
MS Saban	1 103	318	120	1 541
IT Bundo	617	115	72	804
R Isaacs	573	106	62	741
Total	2 293	539	254	3 086

The executive directors' emoluments were paid by the subsidiary Premier Fishing SA Proprietary Limited.

Non-executive

			Pension/ Provident		Directors'	
31 Aug 2017	Salary	Bonus	fund	Medical aid	fees	Total
CF Hendricks	801	205	118	63		1 187
	001	205	110	63	-	
Prof VC Mehana	-	-	-	-	110	110
K Abdulla	-	-	-	-	-	-
S Young	-	-	-	-	75	75
CF Hendricks	-	-	-	-	-	-
AB Amod	-	-	-	-	75	75
TT Hove	-	-	-	-	-	-
RP Mosia	-	-	-	-	75	75
CL van der Venter	-	-	-	-	75	75
AW Johnson	-	-	-	-	-	-
LS Naidoo	-	-	-	-	-	-
FEC Brand	-	-	-	-	-	-
Total	801	205	118	63	410	1 597
31 Aug 2016						
CF Hendricks	748	200	110	59	_	1 117
K Abdulla	_	_	_	_	_	_
AB Amod	-	-	-	-	-	-
Total	748	200	110	59	-	1 117

The emoluments for Miss CF Hendricks are paid by Premier Fishing SA Proprietary Limited on behalf of African Equity Empowerment Investments Limited.

for the year ended 31 August 2017

34. FINANCIAL RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 8 and 17 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares or reduce debt.

The Group monitors capital on the basis of the net interest borrowing debt as a percentage of equity.

This percentage is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings' as shown in the statement of financial position). Total equity is represented in the statement of financial position. The net debt to equity percentage during 2017 was less than 2%.

Financial risk management

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Group manages liquidity risk by effectively managing its cash flows and working capital. The group meets its financing requirements through the use of cash generated from operations as well as short and long-term borrowings. The Group has sufficient undrawn borrowing facilities which could be utilised to settle obligations.

Maturity profiles

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

	Up to one year	Between two to five-years	Total
At 31 August 2017			
Other financial liabilities	3 419	7 651	11 070
Trade payables	23 010	-	23 010
Bank overdraft	17 986	-	17 986
At 31 August 2016			
Loans from Group companies	1 478	-	1 478
Other financial liabilities	3 280	10 764	14 044
Trade payables	24 680	-	24 680

The Group has no significant concentration of liquidity risk.

Market risk

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

(a) Currency risk

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

(b) Interest rate risk

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

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

The Group has no significant concentration of interest rate risk.

At 31 August 2017, if interest rates had been 0,5% higher or lower with all other variables held constant, post-tax profit for the year would have been R281 617 higher or lower, based on average interest rate for the year.

34. FINANCIAL RISK MANAGEMENT CONTINUED

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Other financial liabilities - ABSA Revolving loan	10,50%	-	1 111	-	-	-
Other financial liabilities - ABSA Asset finance	10,50 - 12,00%	450	197	-	-	-
Other financial liabilities - ABSA Project finance Loan	10,33%	2 440	2 440	2 440	1 423	-
Loans to Group companies - African Equity Empowerment	15,50%	5 700	5 700	7 604	4 000	11651
Investments Limited - Loan 1						
Loans to Group companies - African Equity Empowerment Investments Limited - Loan 2	12,00%	_	9 343	_	_	_

Credit risk

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

Trade receivables are comprised of a widespread customer base. Before any new customer is approved for credit, management requests a thorough credit check to be performed by an external credit agency. The agency provides credit scores and credit ratings on each customer. In addition to that a recommended credit limit is provided by the credit agency.

Additional internal ratings and credit limit checklist procedures are performed by management before a final credit limit is approved to our customers. Management also performs ongoing credit evaluations of the financial condition of all customers.

On a continuous basis, management monitors the performance of each customer against their credit limit to ensure that no credit limits are exceeded. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The Group only deposits cash with major banks that have a good reputation and a high quality credit standing and limits exposure to any one counterparty. Loans and other receivables are comprised of advances to Group companies. The Group assesses the trading performance of other Group companies before making advances. Advances are made on the strength of the counterparty's trading performance and forecast cash flows. Loans and other receivables are carefully monitored for impairment.

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

	2017	2016
	R'000	R'000
Financial instrument		
Loans to Group companies	81 758	78 396
Other financial assets	1 707	1 065
Trade and other receivables	46 569	32 400
Cash and cash equivalents	541 919	23 516

Refer to note 11 and 14 for further detail in relation to credit risk.

Foreign exchange risk

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

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

At 31 August 2017, if the currency had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been R2 506 614 lower (2016: R467 053), mainly as a result of foreign exchange gains or losses on translation of US Dollar denominated trade receivables.

for the year ended 31 August 2017

34. FINANCIAL RISK MANAGEMENT CONTINUED

Foreign currency exposure at the end of the reporting period

	2017	2016
Current assets		
Trade debtors, (USD)	926	408
Trade debtors, (EUR)	177	-
Cash and cash equivalents, (USD)	1 601	-
Cash and cash equivalents, (EUR)	29	-
Income received in advance (USD)	67	196
Income received in advance (EUR)	3	3
Exchange rates used for conversion of foreign items were:		
USD	12,97	14,44
EUR	15,38	15,88

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

Risk arising from biological assets

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

35. FAIR VALUE INFORMATION

Fair value hierarchy

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

- Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
- Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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

Notes	2017 R'000	2016 R'000
Recurring level of fair value measurement	Level 3	Level 3
Biological assets		
Abalone	54 323	48 169

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

35. FAIR VALUE INFORMATION CONTINUED

Reconciliation of assets and liabilities measured at level 3

	Opening balance R'000	Gains recognised in profit or loss R'000	Sales R'000	Closing balance R'000
2017				
Assets				
Biological assets				
Abalone	48 169	44 007	(37 853)	54 323
Total	48 169	44 007	(37 853)	54 323
2016				
Assets				
Biological assets				
Abalone	46 162	43 230	(41 222)	48 169
Total	46 162	43 230	(41 222)	48 169

Gains and losses recognised in profit or loss for biological assets are included in cost of sales in the Statement of Comprehensive Income.

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

Financial instruments that are not measures at fair value, namely trade and other receivables, cash and cash equivalents, loans receivable and other financial assets are classified as loans receivable. It has been concluded that the carrying amount of these assets approximate their fair values. Refer to notes 8, 11, 12 and 14.

Financial liabilities that are not measured at fair value, namely loans, trade and other payables, and other financial liabilities are categorised as other financial liabilities. It has been concluded that the carrying amount of these liabilities approximate fair value. Refer to notes 17 and 19.

The potential effect of using reasonably possible alternative assumptions in the valuation, based on a change on the most significant input by 1% while holding all other variables constant, is shown in the following table:

Biological assets - abalone

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

PROFIT AFTER TAX

	1% increase R'000	1% decrease R'000
Weight	392	(392)
USD spot rate	439	(439)
Processing fee	(10)	10

Valuation processes applied by the Group

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

for the year ended 31 August 2017

36. CATEGORIES OF FINANCIAL INSTRUMENTS

Loans to Group companies 8 81758 - - - 81758 65 <th< th=""><th></th><th></th><th>Debt instruments</th><th>Financial liabilities</th><th></th><th>Equity and non-</th><th></th></th<>			Debt instruments	Financial liabilities		Equity and non-	
Notes Cost							
Property, plant and equipment		Notes			Leases		Total
Property, plant and equipment	2017						
Non-current assets							
Goodwill Intangible assets 5 - - 18 165 18 165 18 165 18 165 18 165 18 165 18 165 16 2 62 62 20 20 20 20 20 20 20 20 20 20 20 20 31 758 - - - 65 62 62 62 62 62 62 62	Non-current assets						
Intangible assets 5	Property, plant and equipment	3	_	_	_	130 107	130 107
Loans to Group companies 8 81 758 - - 5 81 758 Deferred tax 9 - - - 65 65 Current assets Inventories 10 - - - 45 083 43 083 Trade and other receivables 12 80 680 - - 8940 89 620 Current tax receivable - - - 1707 - - 154 154 Biological assets 13 - - - 54 323 54		4	-	_	_	18 165	18 165
Deferred tax	Intangible assets	5	-	-	_	62	62
Section Sect	Loans to Group companies	8	81 758	-	-	-	81 758
Current assets Inventories 10	Deferred tax	9	-	-	-	65	65
Inventories 10			81 758	_	-	148 399	230 157
Inventories 10	Current assets						
Trade and other receivables 12 80 680 - 89 40 89 620 Other financial assets 11 1707 - 5 7 1707 1707 1708 Assets 13 1707 - 7 1707 1708 Assets 13		10	_	_	_	43 083	43 083
Other financial assets 11 1 707 - - 1 154 154 154 154 154 154 154 154 154 154 154 154 154 154 154 154 154 154 154 254 323 23 23 23 23 23 23 23 24 23 23 24 23 26 - - 106 500 730 806 254 1919 - - 254 899 960 963 36 20 25 4 899 960 963 36 20 25 4 899 960 963 36 20 25 4 899 960 963 36 20 25 4 899 960 963 36 20 25 4 899 960 963 36 20 25 4 899 960 963 36 20 25 4 899 960 963 36			80 680	_	_		
Current tax receivable	Other financial assets			_	_	_	
Biological assets			_	_	_	154	
Cash and cash equivalents 14 541 919 - - 541 919 624 306 - - 106 500 730 806 Total assets Equity and liabilities Equity attributable to equity holders of parent: Share capital 15 - - 507 517 507 517 Reserves 15 - - - 507 517 507 517 Retained income 15 - - - 507 517 507 517 Retained income 15 - - - 507 517 507 517 Retained income 15 - - - 507 517 507 517 Retained income 15 - - - 255 566<	Biological assets	13	_	_	_	54 323	
Total assets 706 064 254 899 960 963 Equity and liabilities Equity attributable to equity holders of parent: Share capital 15 507 517 507 517 8eserves 15 - 8 014	Cash and cash equivalents	14	541 919	-	_	-	541 919
Total assets Total assets Total diabilities Equity and liabilities Equity and liabilities Equity attributable to equity holders of parent: Share capital 15 - - 507 517 507 517 Reserves 15 - -			624 306	_	_	106 500	730 806
Equity and liabilities Equity Equity attributable to equity holders of parent: Share capital 15 507 517 507 517 Reserves 15 8014 8014 Retained income 15 8014 8014 Retained income 15 771 097 771 097 Total equity 771 097 771 097 Total equity 771 097 771 097 Total equity 771 097 771 097 Liabilities Non-current liabilities Other financial liabilities 16 - 7 651 7 651 Operating lease liability 1 1243 - 1 243 Post-employment medical aid costs 17 1 243 - 1 1075 1 075 Deferred tax 99 7 651 1 243 73 416 82 310 Current liabilities Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 3 419 Current tax payable 3 419 3 419 Current tax payable 82 832 2 922 104 112 189 866 Total liabilities 75 181 1 679 30 696 107 556	Total assets		706 064	_	_	254 899	960 963
Equity Equity attributable to equity holders of parent: Share capital 15 - - 507 517 507 517 8014 8 014							
Share capital 15	Equity						
Reserves 15 8014 8014 Retained income 15 8014 Retained income 15 8014 Retained income 15 8014 Retained income 15 8014 8014 Retained income 15 255 566 255 255	equity holders of parent:						
Retained income 15	Share capital	15	-	-	-	507 517	507 517
771 097 771 097 Total equity	Reserves	15	-	-	-	8 014	8 014
Total equity 771 097 771 097 Liabilities Non-current liabilities Other financial liabilities 16 - 7 651 7 651 Operating lease liability - 1 243 - 1 243 Post-employment medical aid costs 17 1 1075 1 075 Deferred tax 9 - 7 651 1 243 73 416 82 310 Current liabilities Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 3 419 Current tax payable 21 752 21 752 Provisions 19 8 2 83 2 2 92 104 112 189 866 Total liabilities - 8 2 832 2 922 104 112 189 866	Retained income	15	-	-	-	255 566	255 566
Non-current liabilities Non-current liabilities Substituting Substituting			-	-	-	771 097	771 097
Non-current liabilities	Total equity		-	-	-	771 097	771 097
Other financial liabilities 16 - 7 651 - - 7 651 Operating lease liability - - - 1 243 - 1 243 Post-employment medical aid costs 17 - - - 1 075 1 075 Deferred tax 9 - - - - 72 341 72 341 Current liabilities Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 - - - 3 419 Current tax payable - - - - 21 752 21 752 Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 Total liabilities - 82 832 2 922 104 112 189 866	Liabilities						
Operating lease liability - - 1 243 - 1 243 Post-employment medical aid costs 17 - - - 1 075 1 075 Deferred tax 9 - - - - 72 341 72 341 Current liabilities Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 - - 3 419 Current tax payable - - - 21 752 21 752 Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 Total liabilities - 82 832 2 922 104 112 189 866	Non-current liabilities						
Post-employment medical aid costs 17 Deferred tax 9 1075 1075 Deferred tax 9 - 7651 1243 73 416 82 310 Current liabilities Trade and other payables 18 Current tax payable 16 Current tax payable 3 419 Current tax payable 3 419 Current tax payable 21 752 Provisions 19 Bank overdraft 14 - 17 986 17 986 Total liabilities - 82 832 2 922 104 112 189 866	Other financial liabilities	16	-	7 651	_	_	7 651
Deferred tax 9 72 341 72 341 Current liabilities Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 3 419 Current tax payable 21 752 21 752 Provisions 19 8 944 8 944 Bank overdraft 14 - 17 986 17 986 Total liabilities - 82 832 2 922 104 112 189 866	Operating lease liability		-	-	1 243	-	1 243
- 7 651 1 243 73 416 82 310	Post-employment medical aid costs	17	-	-	-	1 075	1 075
Current liabilities Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 - - 3 419 Current tax payable - - - 21 752 21 752 Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 Total liabilities - 82 832 2 922 104 112 189 866	Deferred tax	9	-			72 341	72 341
Trade and other payables 18 - 53 776 1 679 - 55 455 Other financial liabilities 16 - 3 419 - - 3 419 Current tax payable - - - - 21 752 21 752 Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 Total liabilities - 82 832 2 922 104 112 189 866			-	7 651	1 243	73 416	82 310
Other financial liabilities 16 - 3 419 - - 3 419 Current tax payable - - - 21 752 21 752 Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 - 75 181 1 679 30 696 107 556 Total liabilities - 82 832 2 922 104 112 189 866	Current liabilities						
Other financial liabilities 16 - 3 419 - - 3 419 Current tax payable - - - 21 752 21 752 Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 - 75 181 1 679 30 696 107 556 Total liabilities - 82 832 2 922 104 112 189 866	Trade and other payables	18	_	53 776	1 679	_	55 455
Provisions 19 - - - 8 944 8 944 Bank overdraft 14 - 17 986 - - 17 986 - 75 181 1 679 30 696 107 556 Total liabilities - 82 832 2 922 104 112 189 866	Other financial liabilities	16	-	3 419	-	-	3 419
Bank overdraft 14 - 17 986 17 986 - 75 181 1 679 30 696 107 556 Total liabilities - 82 832 2 922 104 112 189 866	Current tax payable		-	-	_	21 752	21 752
- 75 181 1 679 30 696 107 556 Total liabilities - 82 832 2 922 104 112 189 866	Provisions	19	-	-	_	8 944	8 944
Total liabilities - 82 832 2 922 104 112 189 866	Bank overdraft	14	_	17 986	-	-	17 986
			-	75 181	1 679	30 696	107 556
Total equity and liabilities - 82 832 2 922 875 209 960 963	Total liabilities		-	82 832	2 922	104 112	189 866
22 22 27 203 300 303	Total equity and liabilities		-	82 832	2 922	875 209	960 963

36. CATEGORIES OF FINANCIAL INSTRUMENTS CONTINUED

					F 11	
		5	Einen 1.1		Equity	
		Debt	Financial		and	
		instruments	liabilities		non-	
		at	at		financial	
	Notes	amortised cost	amortised cost	Leases	assets and liabilities	Total
2016				-		
Assets						
Non-current assets						
Property, plant and equipment	3	_	_	_	124 596	124 596
Goodwill	4	_	_	_	18 165	18 165
Intangible assets	5	_	_	_	41	41
Loans to Group companies	8	78 396	_	_	_	78 396
Deferred tax	9	_	_	-	64	64
		78 396	-	-	142 866	221 262
Current assets						
Inventories	10	_	_	_	42 379	42 379
Trade and other receivables	11	32 399	_	_	15 871	48 270
Other financial assets	12	1 065	_	_	_	1 065
Current tax receivable	37	_	_	_	154	154
Biological assets	13	_	_	_	48 169	48 169
Cash and cash equivalents	14	23 516	_	_	-0 105	23 516
outer and outer oquitations		56 980	_		106 573	163 553
Total assets		135 376	-	_	249 439	384 815
Farrier and linkilisian	,					
Equity and liabilities						
Equity						
Equity attributable to						
equity holders of parent:					0.01/	0.07.
Reserves	15	_	-	-	8 014	8 014
Retained income	15			_	217 466	217 466
		-	-	-	225 480	225 480
Total equity		-	-	-	225 480	225 480
Liabilities						
Non-current liabilities						
Other financial liabilities	16	_	10 764 -		_	10 764
Operating lease liability		_	_	2 065	-	2 065
Post-employment medical cost	17	_	_	_	1 153	1 153
Deferred tax	9	_	_	_	71 889	71 889
		_	10 764	2 065	73 042	85 871
Current liabilities						
Trade and other payables	18	_	20 815	_	32 428	53 243
Loans from Group companies	8	-	1 478	_	_	1 478
Other financial liabilities	16	_	3 280	_	_	3 280
		_	_	_	8 119	8 119
Current tax payable	19	-	-	-	7 344	7 344
Current tax payable Provisions	19	-	25 573	-	7 344 47 891	7 344 73 464
Current tax payable	19	- - -	- 25 573 36 337	2 065		7 344 73 464 159 335

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 31 August 2017

30 November 2017

Dear shareholder,

Please find attached hereto the notice of the annual general meeting of shareholders of Premier Fishing and Brands Limited ("Premier" or "the Company") to be held at Premier's head office at, Quay 7, East Pier, Breakwater Boulevard, V&A Waterfront on 20 February 2018, at 15:00 ("the AGM" or "the annual general meeting").

The Company's integrated report, containing the complete audited annual financial statements for the year ended 31 August 2017 is set out from page 119 to page 165.

REVEREND DR. VUKILE MEHANA

Independent non-executive Chairman

MOGAMAT SAMIR SABAN

Chief executive

Notice is hereby given that the first annual general meeting of the shareholders of Premier will be held at Premier's head office at, Quay 7, East Pier, V&A Waterfront, on 20 February 2018 at 15:00.

Purpose

The purpose of the annual general meeting is to transact the business set out in the agenda below.

Agenda

Presentation of the audited annual financial statements of the Company, including the reports of the board of directors of the Company ("the directors" or "the Board") and the audit and risk committee for the year ended 31 August 2017. The integrated report, of which this notice forms part, contains the complete audited annual financial statements of the Company which are set out on pages 119 to page 165 and is also available on the Company's website at www.premierfishing.co.za.

To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

Ordinary business

Note: For any of the Ordinary Resolutions Numbers 1 to 19 and 21 and 22 to be adopted, more than 50% (fifty percent) of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For Ordinary Resolution Number 20 to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. RETIREMENT AND RE-ELECTION OF THE DIRECTORS OF THE COMPANY

1.1 Ordinary resolution number 1

"Resolved that Reverend Dr VC Mehana, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.2 Ordinary resolution number 2

"Resolved that Mr K Abdulla, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.3 Ordinary resolution number 3

"Resolved that Mr S Young, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.4 Ordinary resolution number 4

"Resolved that Miss CF Hendricks, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

1.5 Ordinary resolution number 5

"Resolved that Mrs AB Amod, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering herself for re-election, be and is hereby re-elected as director.

1.6 Ordinary resolution number 6

"Resolved that Miss RP Mosia, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

1.7 Ordinary resolution number 7

"Resolved that Mr TT Hove, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.8 Ordinary resolution number 8

"Resolved that Mr CL van der Venter, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.9 Ordinary resolution number 9

"Resolved that Mr AW Johnson, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.10 Ordinary resolution number 10

"Resolved that Mr LS Naidoo, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

NOTICE OF ANNUAL GENERAL MEETING continued

for the year ended 31 August 2017

1.11 Ordinary resolution number 11

"Resolved that Miss FEC Brand, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering herself for re-election, be and is hereby re-elected as director."

1.12 Ordinary resolution number 12

"Resolved that Mr IT Bundo, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.13 Ordinary resolution number 13

"Resolved that Mr MS Saban, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.14 Ordinary resolution number 14

"Resolved that Mrs R Isaacs, who retires by rotation in terms of the Memorandum of Incorporation of the Company, being eligible and offering herself for re-election, be and is hereby re-elected as director."

A brief curriculum vitae for each of the directors to be re-elected, is set out on pages 42 to 45 of the Integrated Report.

The reason for ordinary resolution numbers 1 to 14 (inclusive) is that the Memorandum of Incorporation of the Company, the Listings Requirements of the JSE Limited ("JSE") and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), require that all directors rotate at the first annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE

Note: For the avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.1 Ordinary resolution number 15

"Resolved that Mr TT Hove, being eligible and offering himself for re-election as a member of the audit and risk committee of the Company, as recommended by the directors, be and is hereby re-elected until the next annual general meeting of the Company."

2.2 Ordinary resolution number 16

"Resolved that Mr AW Johnson, being eligible and offering himself for re-election as a member of the audit and risk committee of the Company, as recommended by the directors, be and is hereby re-elected until the next annual general meeting of the Company."

2.3 Ordinary resolution number 17

"Resolved that Miss RP Mosia, being eligible and offering herself for re-election as a member of the audit and risk committee of the Company, as recommended by the directors, be and is hereby elected until the next annual general meeting of the Company."

The reason for and effect of Ordinary Resolutions Numbers 15 to 17 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

In terms of section 94 of the Companies Act, an audit committee should comprise at least three members.

3. **RE-APPOINTMENT OF AUDITOR**

Ordinary resolution number 18

"Resolved that Grant Thornton Cape Inc. be and is hereby re-appointed as the independent auditors of the Company for the ensuing financial year on the recommendation of the audit and risk committee of the Company."

The reason for and effect of Ordinary Resolution Number 18 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the Company as required by the Companies Act.

4. CONTROL OF AUTHORISED BUT UNISSUED ORDINARY SHARES

Ordinary resolution number 19

"Resolved that the authorised but unissued ordinary shares in the share capital of the Company be and are hereby placed under the control and authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares or to issue any options in respect of, or instruments that

are convertible into, such shares, to such person/s on such terms and conditions and at such times as the directors may from time to time determine and at their discretion deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE Limited ("the JSE Listings Requirements"), when applicable."

This general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given.

The reason for and effect of Ordinary Resolution Number 19 is that the Board requires authority from shareholders in terms of the Memorandum of Incorporation of the Company to issue shares in the Company. This general authority, once granted, allows the Board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, inter alia, in terms of capital raising exercises and to maintain a healthy capital adequacy ratio.

5. APPROVAL TO ISSUE ORDINARY SHARES AND/OR OPTIONS FOR CASH

Ordinary resolution number 20

"Resolved that the directors be and are hereby authorised, by way of a general authority, to allot and issue, or issue any options in respect of, or instruments that are convertible into, any of the authorised but unissued ordinary shares in the capital of the Company for cash, as and when they at their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, when applicable, provided that:

- the equity securities which are subject to the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the equity securities must be issued to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the number of equity securities issued for cash shall not, in the aggregate in any one financial year, exceed 15% (fifteen percent) of the Company's relevant number of equity securities in issue of that class as at the date of this notice of annual general meeting, excluding treasury securities. As at the date of this notice of annual general meeting, 15% (fifteen percent) of the Company's issued share capital amounts to 39 000 000 ordinary shares. Any securities issued under this general authority will be deducted from the aforementioned 39 000 000 securities. In the event of a sub-division or a consolidation during the period of this general authority, the number of securities which can be issued in terms of this general authority will be adjusted to represent the same allocation ratio;
- this general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given:
- if the issued securities represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS;
- in determining the price at which an issue of equity securities may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the securities. The JSE will be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period; and
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use
 must comply with the JSE Listings Requirements as if such issue was a fresh issue of ordinary shares; and in respect
 of the issue of options/convertible instruments for cash, if the strike or conversion price of the options/convertible
 instruments is at a discount that exceeds the maximum discount contemplated in paragraph 5.52(d) of the JSE
 Listings Requirements, then the grant/issue may only proceed if the directors have obtained a fairness opinion, in
 accordance with Schedule 5 of the JSE Listings Requirements, from an independent expert acceptable to the JSE,
 confirming that the grant/issue is fair insofar as the shareholders of the Company are concerned."

In terms of the JSE Listings Requirements, Ordinary Resolution Number 20 must be passed by at least 75% (seventy-five percent) of the votes cast in favour of the resolution by all shareholders present or represented by proxy and entitled to vote on this resolution at the annual general meeting.

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to duly approved share incentive schemes), as contemplated in Ordinary Resolution Number 20 above, it is necessary for the Board of the Company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the Memorandum of Incorporation of the Company.

The reason for and effect of Ordinary Resolution Number 20 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the Memorandum of Incorporation of the Company.

NOTICE OF ANNUAL GENERAL MEETING continued

for the year ended 31 August 2017

6. NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY OF THE COMPANY

Ordinary resolution number 21

"Resolved that the Company's remuneration policy, as set out in the remuneration report on pages 67 to 69 of the integrated report and Annexure B of the AGM Notice, be and is hereby endorsed by way of a non-binding advisory vote."

The reason and effect for Ordinary Resolution Number 21 is that the King IV^{TM} Report on Corporate Governance for South Africa 2016 (King IV^{TM}) recommends that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policy adopted. Ordinary Resolution Number 21 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy.

7. NON-BINDING ADVISORY VOTE ON THE IMPLEMENTATION OF THE REMUNERATION POLICY OF THE COMPANY

Ordinary resolution number 22

"Resolved that the Company's implementation report in regard to the remuneration policy, as set out in the remuneration report on page 70 and Annexure B of the AGM Notice, be and is hereby endorsed by way of a non-binding vote."

The reason and effect for Ordinary Resolution Number 22 is that the King IV^{TM} recommends that the implementation of a company's remuneration policy be tabled for a non-binding vote by shareholders at each AGM. This enables shareholders to express their views on the implementation of the Company's remuneration policies. Ordinary Resolution Number 22 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy.

8. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolution number 1

"Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as non-executive directors and/or pay any fees related thereto on the following basis, provided that the aforementioned authority shall be valid until the next annual general meeting of the Company:

Proposed annual remuneration

Per annum, with effect from 1 September 2017, for serving as a non-executive director (including serving on the Board's sub-committees):

Non-executive	Directors' fees R'000
VC Mehana	220
S Young	150
RP Mosia	150
AB Amod	150
CL van der Venter	150

Note: K Abdulla, CF Hendricks, TT Hove, AW Johnson. LS Naidoo and FEC Brand waived their non-executive fees.

The reason for and effect of Special Resolution Number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of Special Resolution Number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as non-executive directors without requiring further shareholder approval until the next annual general meeting.

Note: Executive directors are remunerated in accordance with the employment agreements entered into between the Company and such directors.

9. INTER-COMPANY FINANCIAL ASSISTANCE

Special resolution number 2

"Resolved that, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board determines, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of Special Resolution Number 2 is to grant the directors the authority, until the next annual general meeting, to provide financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

10. FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY

Special resolution number 3

"Resolved that, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board may determine, for the purpose of, or in connection with, the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of Special Resolution Number 3 is to grant the directors the authority, until the next annual general meeting, to provide financial assistance to any company or corporation which is related or inter-related to the Company for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or in any such related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interest of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in Special Resolutions Numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company):
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company;
 and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's Memorandum of Incorporation have been met.

NOTICE OF ANNUAL GENERAL MEETING continued

for the year ended 31 August 2017

11. APPROVAL FOR THE COMPANY OR ITS SUBSIDIARIES TO REPURCHASE COMPANY SHARES

Special resolution number 4

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, by way of a general authority, to repurchase, from time to time, any of the ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, where applicable, and provided that:

- the repurchase of the ordinary shares will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty:
- this general authority shall only be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the
 maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average
 of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days
 immediately preceding the date on which the transaction is effected;
- the acquisition of ordinary shares, in the aggregate in any one financial year, may not exceed 20% (twenty percent)
 of the Company's issued ordinary share capital as at the beginning of the financial year, provided that the Company's
 subsidiaries may not, collectively, hold more than 10% (ten percent) of the Company's issued ordinary share capital at
 any time;
- after such repurchase, the Company will still comply with the JSE Listings Requirements concerning shareholder spread requirements;
- the Company or its subsidiaries may not repurchase ordinary shares during a prohibited period as defined in
 paragraph 3.67 of the JSE Listings Requirements, unless they have in place a repurchase programme where the dates
 and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have
 been submitted to the JSE in writing. The Company will instruct an independent third party, which party makes its
 investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company,
 prior to the commencement of the prohibited period to execute the repurchase programme;
- when the Company and/or its subsidiaries have cumulatively purchased 3% (three percent) of the number of the
 ordinary shares in issue at the time this general authority is granted ("initial number") and for each 3% (three percent)
 in aggregate of the initial number acquired thereafter an announcement setting out full details of such purchase will
 be made on SENS;
- at any point in time, the Company may only appoint one agent to effect any purchases on its behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings
 Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in
 writing prior to the commencement of the prohibited period and executed by an independent third party,
 as contemplated in terms of paragraph 5.72(h) of the Listings Requirements."

The reason for and effect of Special Resolution Number 4 is to grant the directors a general authority, in terms of the Memorandum of Incorporation of the Company and the JSE Listings Requirements, for the acquisition by the Company, or any subsidiary of the Company, of shares issued by the Company on the basis reflected in Special Resolution

The Company has no immediate plans to use this authority and is simply obtaining same in the interest of prudence and good corporate governance should the unforeseen need arise to use the authority.

The directors, and the directors of the subsidiaries of the Company, will only utilise the general authority to purchase shares of the Company, as set out in Special Resolution Number 4, to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:

- the Group is in a position to repay its debts in the ordinary course of business for a period of 12 (twelve) months after the date of this notice of annual general meeting;
- the assets of the Group, being fairly valued in accordance with the accounting policies used in the latest audited consolidated annual financial statements, will exceed the liabilities of the Group for a period of 12 (twelve) months after the date of this notice of annual general meeting:
- the share capital and reserves of the Group are adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting; and

• the available working capital of the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting.

The directors have passed a resolution authorising the repurchase, resolving that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and, resolving that since the solvency and liquidity test has been applied, there have been no material changes to the financial position of the Group.

12. AMENDMENT TO THE MEMORANDUM OF INCORPORATION OF THE COMPANY IN RELATION TO THE ANNUAL FINANCIAL STATEMENTS

Special resolution number 5

"Resolved, as a special resolution, that the Memorandum of Incorporation of the Company be and is hereby amended as follows:

- by the replacement of the existing change in the Company name on the front cover of the Memorandum of Incorporation with the following wording:
 Premier Fishing and Brands Limited;
- ii. by the substitution of the existing clause 33.5 in its entirety, with the following new clause:
 "A copy of the annual financial statements or a summarised version thereof must be sent to Shareholders at least
 15 (fifteen) business days before the date of the annual general meeting of the Company at which such annual
 financial statements will be considered."

The reason for Special Resolution Number 5 is to obtain the required approval from Shareholders to amend the Memorandum of Incorporation of the Company in the manner that aligns the Memorandum of Incorporation with the new name of the Company and the recent amendments to the JSE Listings Requirements.

The effect of Special Resolution Number 5 is that the Company will have the necessary authority to amend the Memorandum of Incorporation in the manner set out in Special Resolution Number 5, which amendments have also been approved by the JSE.

13. OTHER BUSINESS

To transact such other business as may be transacted at the annual general meeting.

INFORMATION RELATING TO THE ORDINARY RESOLUTION AND SPECIAL RESOLUTIONS

- i. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 4 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:
 - the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
 - the consolidated assets of the Group will at the time of the AGM and at the time of making such determination be
 in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured
 in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
 - the ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the AGM and after the date of the share repurchase; and
 - the working capital available to the Group after the repurchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the AGM.
- ii. Other disclosures in terms of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are disclosed on page 181 of the integrated report, as set out below:

- Major shareholders of the Company; and
- Share capital of the Company.
- iii. Material changes

Other than the facts and developments reported on in the integrated report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of the interim reporting period up to the date of this notice of annual general meeting.

iv. Directors' responsibility statement

The directors, whose names appear on pages 42 to 45 of the integrated report of which this notice forms part of, collectively and individually accept responsibility for the accuracy of the information pertaining to the special resolutions set out above and certify that, to the best of their knowledge and belief, there are no facts that have been

NOTICE OF ANNUAL GENERAL MEETING continued

for the year ended 31 August 2017

omitted which would make any statement false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by law and the JSE Listings Requirements.

- v. For Ordinary Resolution Number 17 to be adopted, at least 75% (seventy-five percent) of the voting rights must be exercised in favour thereof.
- vi. For any of the Special Resolutions Numbers 1 to 5 to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on each such special resolution must be exercised in favour thereof.

Voting and proxies

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is, 24 November 2017.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the annual general meeting is Friday, 9 February 2018, with the last day to trade being Tuesday, 6 February 2018.

In terms of section 63(1) of the Companies Act, meeting participants will be required to provide reasonably satisfactory identification before being entitled to participate or vote at the annual general meeting. Forms of identification that will be accepted include original and valid identity documents, passports or driver's licences. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration are entitled to attend and vote at the annual general meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. For the convenience of certificated shareholders and dematerialised shareholders with own-name registration, a form of proxy is enclosed herewith.

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

- · hold ordinary shares in certificated form; or
- have dematerialised their ordinary shares and are registered with "own-name" registration.

Ordinary shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant 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.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only.

Proxy forms should be lodged with the Transfer Secretaries of the Company, Link Market Services Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 or posted to the Transfer Secretaries at PO Box 4844, Johannesburg, 2000, South Africa, to be received by them not later than 16 February 2018, at 15:00 provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the Chairman of the annual general meeting prior to the commencement of the annual general meeting, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.

Electronic participation in the annual general meeting

Shareholders or their proxy(ies) may participate in the annual general meeting by way of telephone conference call.

A total of 7 (seven) telecommunication lines will be available for such participation. Shareholders or their proxies who wish to participate in the annual general meeting via the teleconference facility must follow the instructions contained in Annexure A attached to this notice.

Shareholders who wish to participate in the annual general meeting via the teleconference facility must note that they will not be able to vote during the annual general meeting.

By order of the Board

NOBULUNGISA MBALISELI

Company secretary

30 November 2017 Cape Town

ANNEXURE A

Electronic participation in the annual general meeting

1. Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication ("Participants"), must apply to the Company's transfer secretaries to do so by delivering the form below ("the application") to the offices of the Company's transfer secretaries, Link Market Services, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, by no later than 14:00 on 11 February 2018.

The application may also be posted, at the risk of the Participant, to Link Market Services, PO Box 4844, Johannesburg, 2000, so as to be received by the transfer secretaries by no later than the time and date set out above.

- Participants must note that they will not be able to vote during the annual general meeting. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the voting instructions contained in this notice of the annual general meeting, i.e. to the extent applicable:
 - (i) complete the form of proxy: or
 - (ii) contact their CSDP.
- Important notice
 - 3.1 A total of 7 (seven) telecommunication lines will be available.
 - 3.2 Each Participant will be contacted between 14 and 15 February 2018, via email and/or SMS with a code and the relevant telephone number to allow them to dial in.
 - 3.3 The cost of the Participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.
 - 3.4 The cut-off time to participate in the meeting will be 15:00 on 20 February 2018. No late dial-in will be accommodated.

The application form

Full name of the shareholder	
ID number	
Email address	
Cell number	
Telephone number	
Name of CSDP or stockbroker	
(if shares are held in dematerialised format)	
Contact number of CSDP/stockbroker	
Contact person at CSDP/stockbroker	
Number of share certificate (if applicable)	
Signature	
Date	

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

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

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

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

- complete the form of proxy; or
- contact their CSDP.

The application will only be deemed successful if this application form has been completed and fully signed by the Participant.

Shareholder name:	
Signature:	
Date:	

ANNEXURE B



(Incorporate in the Republic of South Africa)
Registration number: 1998/018598/06
("PFB" "Group" or "Company)

Premier fishing and brands remuneration policy

INTRODUCTION

The Premier Fishing and Brands Limited's ("Premier") Group remuneration committee is primarily responsible for overseeing the remuneration and incentives of the Group's executive directors and key management, as well as providing strategic guidance to the executive directors.

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

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

OVERVIEW OF THE MAIN PROVISIONS OF THE REMUNERATION POLICY

The remuneration policy is aimed at aligning remuneration practices that will enable it to achieve the Group's strategic objectives, translating into market-related yet affordable performance-linked rewards, and to ensure balanced and transparent outcomes that align with shareholder interests over the short and long-term and ultimately enable the attraction and retention of valuable talent. Our approach to remuneration aligns to our ethics, corporate governance philosophy, and shared values and best practices.

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

- support the attainment of Premier strategic business objectives and strategies;
- to attract, retain and motivate key and talented individuals;
- compete in the market place to be an employer of choice;
- reward individual, team and business performance and encourage superior performance;
- support the key values of Premier;
- to promote the achievement of the Group's strategic objectives within the organisations risk appetite;
- to promote positive outcomes; and
- to promote an ethical culture and responsible corporate citizenship.

The remuneration policy addresses the organisations remuneration and includes provision for the following:

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

EXECUTIVES AND EMPLOYEES

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

Cost-to-company remuneration incorporates the following elements:

Base salary

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

Benefits, forming part of the total cost-to-company include: membership to the pension/provident fund (providing death, disability and dread disease benefits), medical aid, unemployment insurance fund and funeral cover.

COMPLIANCE

The remuneration policy is reviewed each year to ensure that the remuneration framework remains effective in supporting the achievement of the Company's business objectives and remains in line with the best practice. Premier complies with the relevant remuneration governance codes and statutes. The recommended practice as stated under Principle 14 of the King IV^{TM} has been by the Group.

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

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts but have permanent employment agreements with the Company. The remuneration of executives is determined on a cost-to-company basis and is subject to an annual review by the remuneration committee. Provident or pension fund and healthcare provision form part of the overall cost-to-company packages. Executive directors are members of the Group's Provident Fund and are required to retire from the Group as a director of the Board at the age of 65, unless requested by the Board to extend their term. There are no other special benefits for executive directors.

PERFORMANCE APPRAISALS

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

NON-EXECUTIVE REMUNERATION

The non-executive directors receive fees for serving on the Board and board committees. The fees for non-executive directors is reviewed annually by the remuneration committee which seeks to ensure that fees are market related. The Board recommends the fees to shareholders for approval at the annual general meeting of the Company. Consideration is given to the relative contribution of each non-executive director and their participation in the activities of the Board and its committees. Changes to the fee structure are effective 1 September, subject to the approval by shareholders at Premier's annual general meeting held in February of each year. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, same may be reviewed.

The proposed fee structure for the year ending 31 August 2018 is set out in the table below:

Non-executive	31 August 2018 R'000	31 August 2017 R'000
VC Mehana		
- Board Chairman		
- Member	220	110
S Young		
- Chairman Remuneration committee	150	75
RP Mosia		
- Member of the Audit and Risk committee	150	75
AB Amod		
- Chair of the Transformation committee	150	75
CL van der Venter	150	75

Note: K Abdulla, CC Hendricks, TT Hove, AW Johnson, LS Naidoo and FEC Brand waived their non-executive fees.

ANNEXURE B continued

Premier covers all reasonable travelling and accommodation expenses incurred to attend board and committee meetings. Non-executive directors do not have any employment contracts, nor receive any benefits associated with permanent employment.

The remuneration as at 31 August 2017 was only for the six-month period from 1 March 2017 to 31 August 2017.

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

In the event that less than 75% support for the abovementioned reports are achieved at the AGM, the Board of Premier will invite dissenting shareholders to send reasons for such votes in writing where after further engagements may be scheduled to appropriately address legitimate and reasonable objections and concerns raised.

IMPLEMENTATION REPORT

This part of the report focuses on the performance outcomes against the targets set for 2017.

Salary increment

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

For the year ended 31 August 2017, a general salary increased based on the yearly average current price index (CPI) of 7% for all employees in the Group was approved.

Discretionary bonus

For the year ended 31 August 2017, the discretionary bonus was calculated as a percentage of the qualifying executive/senior management/employee's base salary according to seniority and the level of responsibility assumed. Qualifying executives and senior management received a discretionary cash bonus dependent on meeting both financial and qualitative strategic performance objectives. Employees received a discretionary cash bonus dependent on meeting both personal and the Company's strategic objectives. Financial, qualitative, personal and company strategic performance are aimed at ensuring sustainable long-term value creation to the benefit of all stakeholders. The total base salary and bonus paid was considered to be fair to both the Company and the executive/senior manager/employee.

For the year ended 31 August 2017, the chief executive and executive management team's performance was assessed against a set of predetermined objectives that include, *inter alia*: strategic leadership, execution of the strategy through business results and stakeholder relations. The successful delivery of the Group's objectives constitute both financial and non-financial performance measures, with the key financial measures which include profits, cash flow and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group.

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

A copy of the full remuneration policy is available on www.premierfishing.co.za.

FORM OF PROXY

PREMIER FISHING AND BRANDS LIMITED

(Incorporated in the Republic of South Africa) Registration Number 1998/018598/06 JSE share code: PFB ISIN: ZAE000247516

("Premier Fishing" or "the Company")

Only for the use by registered holders of certificated ordinary shares in the Company and the holders of dematerialised ordinary shares in the Company with "own-name" registration at the annual general meeting of shareholders to be held at the Premier Fishing Head Office at Quay 7, East Pier, Breakwater Boulevard, Victoria & Alfred Waterfront, on 20 February 2018 at 15:00.

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

I/We (please print full names)

of (please print address)	
being a shareholder of Premier Fishing and the holder/s of	ordinary shares hereby appoint.
1.	or failing him/her
2.	or failing him/her

3. the Chairman of the annual general meeting;

as my/our proxy to attend, speak and vote on a show of hands or on a poll for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof in the following manner:

		For	Against	Abstain
1.	To re-elect the following directors who retire by rotation:			
	1.1 Ordinary Resolution Number 1: Reverend Dr VC Mehana			
	1.2 Ordinary Resolution Number 2: Mr K Abdulla			
	1.3 Ordinary Resolution Number 3: Mr S Young			
	1.4 Ordinary Resolution Number 4: Miss CF Hendricks			
	1.5 Ordinary Resolution Number 5: Mrs AB Amod			
	1.6 Ordinary Resolution Number 6: Ms RP Mosia			
	1.7 Ordinary Resolution Number 7: Mr TT Hove			
	1.8 Ordinary Resolution Number 8: Mr CL van der Venter			
	1.9 Ordinary Resolution Number 9: Mr AW Johnson			
	1.10 Ordinary Resolution Number 10: Mr LS Naidoo			
	1.11 Ordinary Resolution Number 11: Miss FEC Brand			
	1.12 Ordinary Resolution Number 12: Mr IT Bundo			
	1.13 Ordinary Resolution Number 13: Mr MS Saban			
	1.14 Ordinary Resolution Number 14: Mr R Isaacs			
2.	To re-appoint the members of the audit and risk committee:			
	2.1 Ordinary Resolution Number 15: Mr TT Hove			
	2.2 Ordinary Resolution Number 16: Mr AW Johnson			
	2.3 Ordinary Resolution Number 17: Miss RP Mosia			
3.	Ordinary Resolution Number 18: Re-appointment of Grant Thornton Cape Inc. as the independent auditor of the Company for the ensuing year			
4.	Ordinary Resolution Number 19: Control of authorised but unissued shares			
5.	Ordinary Resolution Number 20: Approval to issue ordinary shares and/or options for cash			
6.	Ordinary Resolution Number 21: Non-binding endorsement of the remuneration policy of the Company			
7.	Ordinary Resolution Number 22: Non-binding advisory vote on the implementation of the remuneration policy of the Company			
8.	Special Resolution Number 1: To approve the remuneration of the non-executive directors			
9.	Special Resolution Number 2: To approve inter-company financial assistance			
10.	Special Resolution Number 3: To approve financial assistance for the subscription or purchase of shares in the Company or in a related or inter-related company			
11.	Special Resolution Number 4: Approval for the Company or its subsidiaries to repurchase Company shares			
12.	Special Resolution Number 5: Amendment of the Memorandum of Incorporation			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided should you wish to vote all of your shares.

Signed atc	on this	day of	2018
Signature(s)			
Assisted by (where applicable) (state capacity and full name	o)		

NOTES TO FORM OF PROXY

- 1. The form of proxy must only be used by certified shareholders or dematerialised shareholders who hold dematerialised shares in their own name.
- 2. Shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
- 3. A shareholder entitled to attend and vote may insert the name of a proxy or the name of two alternative proxies of the shareholder's choice in the space provided, without deleting "the chairman of the annual general meeting". A proxy need not be a shareholder of the Company. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- 4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held.
- 5. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes.
- 6. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting, provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the annual general meeting prior to the commencement of the annual general meeting, excluding Saturdays, Sundays and public holidays.
- 7. If a shareholder does indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instruction, or should any further resolution(s), or any amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
- 8. The chairman of the annual general meeting may reject or accept any form of proxy, which is completed and/or received other than in compliance with these notes.
- The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
- 10. Documentary evidence establishing the authority of a person signing the form in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the chairman of the annual general meeting.
- 11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
- 12. Where there are joint holders of shares:
 - Any one holder may sign the form of proxy.
 - The vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the 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 other joint shareholder(s).
- 13. Forms of proxy should be lodged with or mailed to Link Market Services.
- 14. Hand deliveries to: Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001.
- 15. Postal deliveries to: Link Market Services South Africa Proprietary Limited, PO Box 4844, Johannesburg, 2000.
- 16. Handed to the chairman of the annual general meeting prior to the commencement of the annual general meeting, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.
- 17. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatories.

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION AS AT 31 AUGUST 2017

The Company's shareholders as at 31 August 2017 can be summarised as follows:

ANALYSIS OF SHAREHOLDINGS AS AT 31 AUGUST 2017

	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
1 - 5 000	1 117	79.39%	828 890	0.32%
5 001 - 10 000	65	4.62%	527 853	0.20%
10 001 - 100 000	158	11.23%	5 650 122	2.17%
100 001 - 1 000 000	54	3.84%	17 073 026	6.57%
1 000 001 - and more	13	0.92%	235 920 109	90.74%
Total	1 407	100.00%	260 000 000	100.00%

MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)

	Number of shares	Percentage of total issued share capital
African Equity Empowerments Investments Ltd	143 000 000	55.00%
Government Employees Pension Fund	61 755 805	23.75%
Total	204 755 805	78.75%

DISTRIBUTION OF SHAREHOLDERS

	Shareholders Number	Shares Percentage	Number	Percentage
Individuals	1 285	91.33%	7 416 087	2.86%
Nominee companies and trusts	34	2.42%	5 723 625	2.20%
Public companies	67	4.76%	244 563 835	94.06%
Close corporations and private companies	21	1.49%	2 296 453	0.88%
Total	1 407	100.00%	260 000 000	100.00%
NON-PUBLIC A	AND PUBLIC SHAR	REHOLDING		
NON-PUBLIC:	3	0.21%	143 083 000	55.03%
Directors	2	0.14%	83 000	0.03%
African Equity Empowerments Investments Ltd	1	0.07%	143 000 000	55.00%
PUBLIC	1 404	99.79%	116,917,000	44.97%
TOTALS	1 407	100.00%	260 000 000	100.00%

Note: Refer to the directors' report for further details of directors' holdings.

CORPORATE INFORMATION

COMPANY SECRETARY

Nobulungisa Mbaliseli - nobulungisa@aeei.co.za

EXECUTIVE MANAGEMENT TEAM

Chief executive officerMogamat Samir Sabansamiers@premfish.co.zaChief financial officerIsaiah Tatenda Bundotatendab@premfish.co.zaSales directorRushaan Isaacsrushaans@premfresh.co.zaPrescribed officerMogamat Samir Sabansamirs@premfish.co.za

BUSINESS ADDRESS AND REGISTERED OFFICE

Quay 7, East Pier, Victoria & Alfred Waterfront, Cape Town, 8001, South Africa

Postal address: PO Box 181, Cape Town, 8000, South Africa

Telephone: +27 21 427 1400 **Facsimile:** +27 21 419 0731

EMAIL AND WEBSITE

Email address: info@premierfishing.co.za **Website:** www.premierfishing.co.za

COMPANY REGISTRATION NUMBER

1998/018598/06

TRANSFER SECRETARIES

Link Market Services South Africa Proprietary Limited

Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001

Postal address: PO Box 4844, Johannesburg, 2000

Telephone: +27 11 713 0800 **Telefax:** +27 86 674 4381

Website: www.linkmarketservices.co.za

AUDITORS

Grant Thornton Cape Inc.

SPONSOR

PSG Capital Proprietary Limited

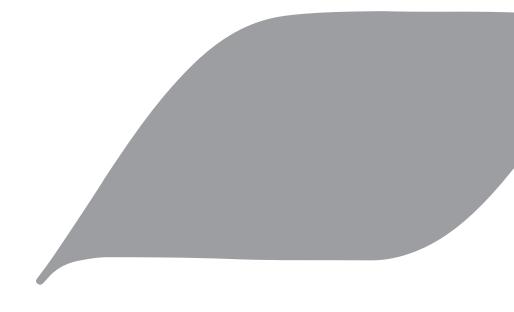
LISTING

Johannesburg Stock Exchange **Sector:** Farming and fishing

Share code: PFB

ISIN code: ZAE000247516





www.:premierfishing.co.za