



AFRICAN AND OVERSEAS
ENTERPRISES LTD

EST. 1947

2021

INTEGRATED
ANNUAL REPORT

TABLE OF CONTENTS

ABOUT AFRICAN AND OVERSEAS ENTERPRISES

Scope, Boundary and Approval of the Integrated Annual Report 1

Group Profile 2

OVERVIEW 4

Business Model, Strategy, Mission and Vision 6

Financial Director's Report 7

Financial Highlights 9

Five-Year Review 10

GOVERNANCE 14

Board of Directors 16

Corporate Governance Report 18

Audit Committee Report 26

Social and Ethics Committee Report 28

Human Capital and Remuneration Report 30

FINANCIAL STATEMENTS 31

Statement of Responsibility 32

Directors' Report 33

Summarised Consolidated Statement of Financial Position 37

Summarised Consolidated Statement of Comprehensive Income 38

Summarised Consolidated Statement of Changes in Equity 39

Summarised Consolidated Statement of Cash Flows 40

Segmental Analysis 41

Prior Period Restatement 42

SHAREHOLDERS' INFORMATION 44

Unaudited Shareholders' Information 45

Share Performance 46

Notice of Annual General Meeting 47

Annexure A 52

Shareholder Calender 53

Corporate Information 54

Form of Proxy 55

Electronic Participation Application Form 57

OTHER APPENDICES

Abbreviations 59

Definitions 60

SCOPE, BOUNDARY AND APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Company is pleased to present its integrated annual report to stakeholders in line with the principles of King IV.

Report content

This integrated annual report covers the annual financial reporting period 1 July 2020 to 30 June 2021.

Due to African and Overseas Enterprises' investment in Rex Trueform, this integrated annual report is limited to matters which are not addressed in the Rex Trueform integrated annual report. This integrated annual report should accordingly be read in conjunction with the Rex Trueform integrated annual report.

We have only included a general narrative on strategy, risks, opportunities and sustainability issues identified. All financial information provided, which is supported by the annual financial statements, has been prepared in terms of International Financial Reporting Standards, while financial key performance indicators and ratios calculated using non-financial information have been provided based on internal management information, and are defined within the integrated annual report.

This integrated annual report includes summarised extracts from the group's annual financial statements. The full set of annual financial statements can be found on the company's website at www.rextrueform.com.

External assurance

Assurance on the financial statements contained in this integrated annual report has been provided by the external auditor, PricewaterhouseCoopers Inc. These financial statements form the basis of the financial disclosure in the integrated annual report.

Approval of integrated annual report

The board acknowledges its responsibility to ensure the integrity of the integrated annual report. The board has accordingly applied its mind to the integrated annual report and in its opinion the integrated annual report addresses all material issues and presents fairly the integrated performance of the organisation. The board authorised the integrated annual report for release on 30 October 2021.



MR Molosiwa
Chairman
Authorised director



MA Golding
Chief executive officer
Authorised director

GROUP PROFILE

AFRICAN AND OVERSEAS ENTERPRISES HAS BEEN LISTED ON THE JSE SINCE 1948. THE COMPANY HAS A CONTROLLING INTEREST IN REX TRUEFORM AND ITS GROUP WHICH HAS INTERESTS IN THE RETAILING OF FASHION APPAREL, PROPERTY AND WATER INFRASTRUCTURE SECTORS.



AFRICAN AND OVERSEAS
ENTERPRISES LTD

EST. 1947



REX TRUEFORM
GROUP LIMITED

AFRICAN AND OVERSEAS ENTERPRISES

INVESTMENT IN REX TRUEFORM SHAREHOLDING:

Ordinary Shares – 2 110 169 (72.62%)

“N” Ordinary Shares – 9 212 565 (51.39%)

(Translates into an Economic Interest of 54.35% in Rex Trueform)

REX TRUEFORM

INVESTMENT IN RETAIL, PROPERTY AND WATER INFRASTRUCTURE

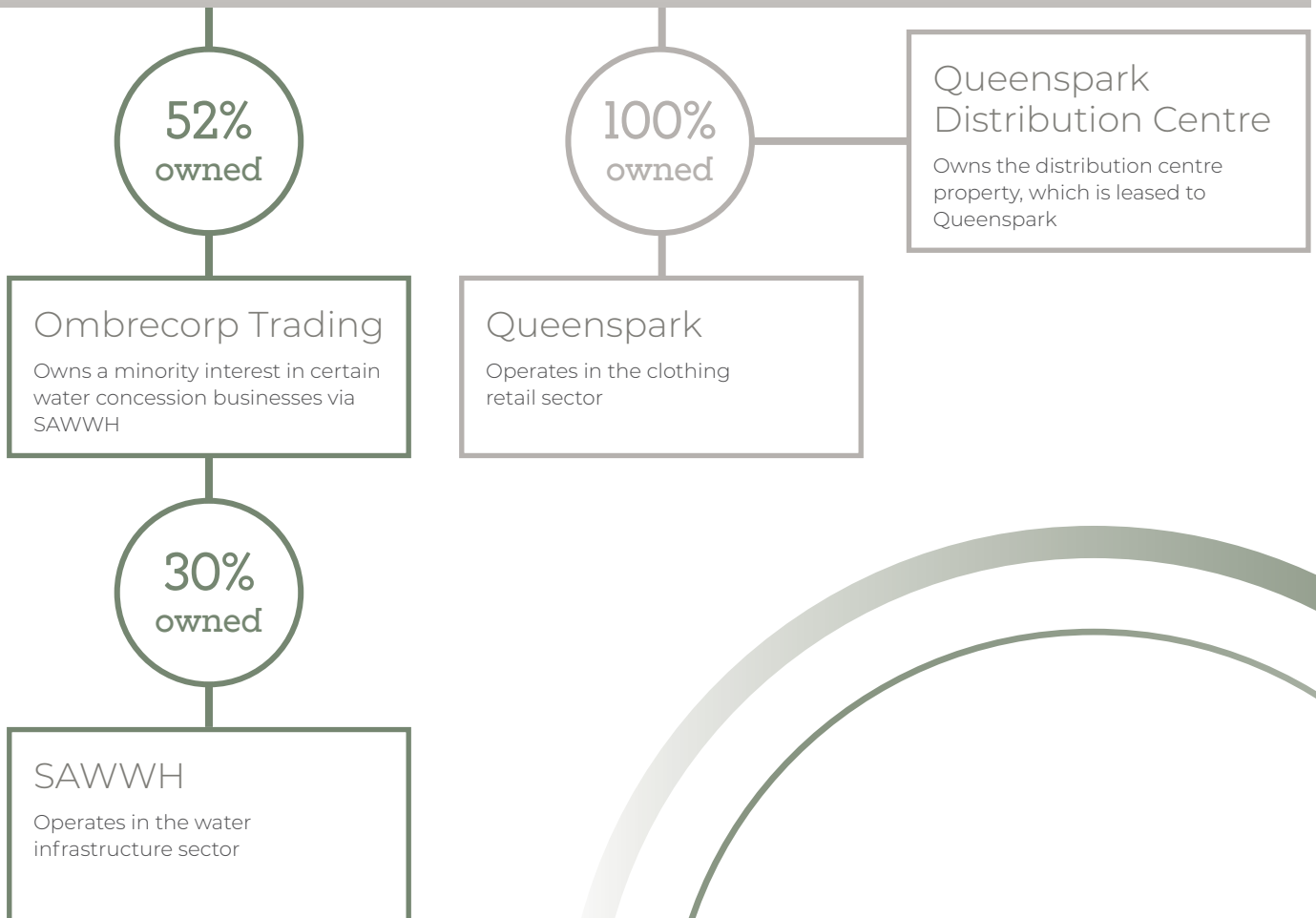
COMPANY OPERATING SEGMENTS

Retail – investment in Queenspark

Property – owns and manages a property portfolio directly in the company and indirectly through its investment in Queenspark Distribution Centre

Water infrastructure – investment in SAWWH via Ombrecorp Trading

Group services – manages the group’s corporate responsibility





OVERVIEW

Business Model, Strategy, Mission and Vision	6
Financial Director's Report	7
Financial Highlights	9
Five-Year Review	10

BUSINESS MODEL, STRATEGY, MISSION AND VALUE

Business Model

- OWNS CONTROLLING SHARE IN SUBSIDIARY
- RECEIVES INVESTMENT INCOME

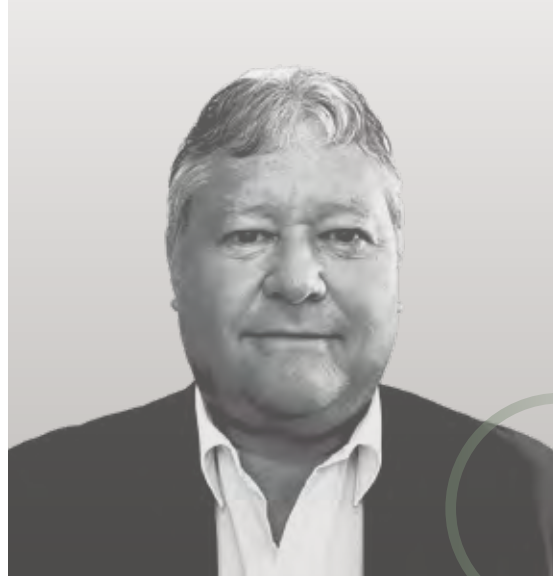
Strategy

AFRICAN AND OVERSEAS ENTERPRISES' STRATEGY IS TO MAINTAIN ITS INVESTMENT IN REX TRUEFORM IN THE LONG TERM

Mission and Vision

AFRICAN AND OVERSEAS ENTERPRISES' MISSION IS TO OPERATE AS AN INVESTMENT HOLDING COMPANY WHILE PROVIDING A FAIR RETURN TO ITS SHAREHOLDERS

FINANCIAL DIRECTOR'S REPORT



WILLEM DEON NEL

“Earnings per share increased by 124.9% to 94.5 cents per share (2020: loss of 378.9 cents per share). Headline earnings per share increased by 206.3% to 116.0 cents per share (2020: headline loss of 109.01 cents per share).”

FINANCIAL DIRECTOR'S REPORT (CONTINUED)

The group's consolidated results are directly impacted by the results of its subsidiary, Rex Trueform Group Limited. This integrated annual report is to be read in conjunction with the Rex Trueform Group Limited's integrated annual report and the Rex Trueform Group Limited's annual financial statements. Prior year results have been restated, refer to the financial statements and page 42 of the annual report for further detail.

The group's performance over the last five years is reflected on pages 10 to 13 of this integrated annual report.

Financial performance

Earnings per share increased by 124.9% to 94.5 cents per share (2020: loss of 378.9 cents per share). Headline earnings per share increased by 206.3% to 116.0 cents per share (2020: headline loss of 109.01 cents per share).

The group achieved a profit after tax of R21.9m (2020: loss after tax of R75.8m) of which the retail segment's profit after tax was R10.2m (2020: loss after tax of R88.2m).

Financial position

The group's capital and reserves increased by R23m to R273.2m (2020: R250.2m). Net asset value per share increased by 8.8% to R12.01 (2020: R11.04).

Inventory decreased to R81.2m during the year (2020: R111.7m). Inventory write-down provisions decreased to R10.1m (2020: R23.1m), representing 11.1% (2020: 17.2%) of the value of inventory on hand.

The group generated positive cash flows, from operations, amounting to R112.1m (2020: R91.1m). Cash balances increased to R110.6m (2020: R72.6m).

Acquisition

In November 2020, the group entered into a sale of shares agreement, subject to certain suspensive conditions, to acquire 75% of Telemedia Proprietary Limited for a consideration of R67.5m to be settled in cash and shares. The last outstanding suspensive condition is the written consent from the Independent Communications Authority of South Africa ("ICASA"). Also refer to SENS issued on 13 November 2020, 10 May 2021, 18 June 2021 and 28 August 2021.

Shareholder distribution

The directors have not proposed a dividend for the 2021 year in respect of the ordinary and "N" ordinary shares.

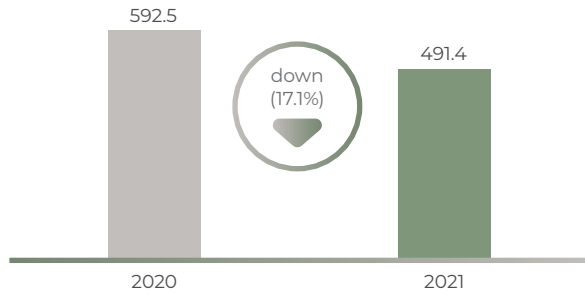
WD Nel

Financial Director
30 October 2021

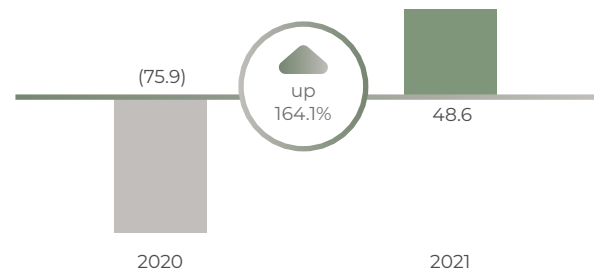


FINANCIAL HIGHLIGHTS

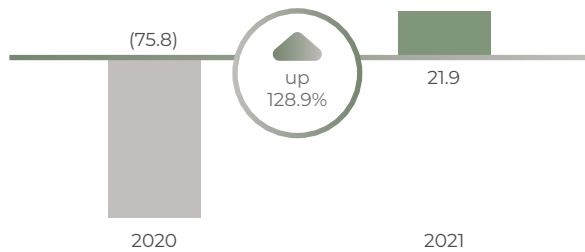
Revenue (R'm)



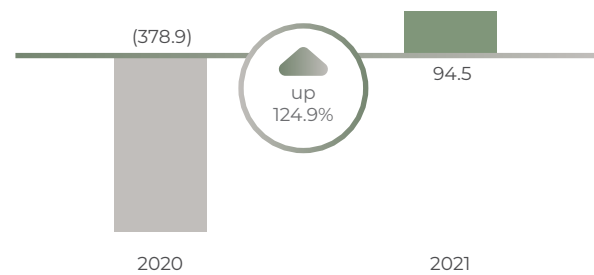
Operating Profit/(Loss) (R'm)



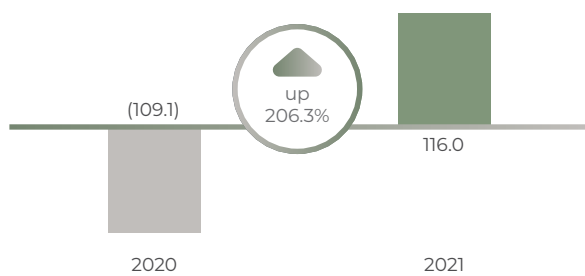
Net Profit/(Loss) After Tax
From Continuing Operations (R'm)



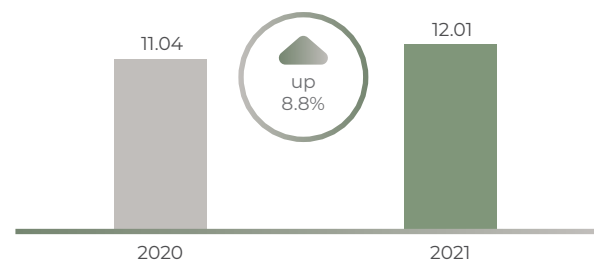
Earnings per share (cents)



Headline Earnings per share (cents)



Net Asset Value per share (R)



FIVE-YEAR REVIEW

Statement of Comprehensive Income

	2021 R'000	Restated* 2020 R'000	2019 R'000	2018 R'000	2017 R'000
CONTINUING OPERATIONS					
Revenue*	491 427	592 480	712 364	611 581	551 875
Retail sales* [^]	464 961	565 765	678 873	587 632	528 759
Cost of sales* [^]	(222 421)	(291 728)	(321 767)	(267 730)	(237 200)
Gross profit	242 540	274 037	357 106	319 902	291 559
Other revenue	26 466	26 715	21 223	19 262	18 567
Rental income	19 853	19 337	16 786	15 700	15 030
Tenant recoveries*	3 853	4 148	3 983	3 517	3 303
Dividend income*	38	29	27	45	21
Profit on sale of property	–	10	427	–	–
Royalty fee income	–	–	–	–	213
Management fee income	2 722	3 191	–	–	–
Trading expenses	(220 393)	(376 620)	(356 493)	(326 351)	(310 886)
Employment costs* [^]	(101 743)	(102 982)	(120 882)	(109 989)	(103 840)
Occupancy costs* [^]	(10 517)	(40 843)	(132 405)	(119 019)	(107 360)
Depreciation, amortisation and impairment* [^]	(83 038)	(175 550)	(23 272)	(26 837)	(25 462)
Other operating costs* [^]	(25 095)	(57 245)	(79 934)	(70 506)	(74 224)
Operating profit/(loss)	48 613	(75 868)	21 836	12 813	(760)
Investment income	20 541	22 770	12 268	4 687	4 549
Finance costs [^]	(37 271)	(44 795)	(3 325)	(71)	(163)
Share of (loss)/profit of associate (net of taxation)	(939)	(4 473)	20 417	–	–
Dilution loss on investment in associate	–	–	(14 811)	–	–
Gain from bargain purchase on investment in associate	–	–	10 484	–	–
Profit/(loss) before tax	30 944	(102 366)	46 869	17 429	3 626
Income tax*	(9 083)	26 613	(14 605)	(5 897)	(1 939)
Profit/(loss) for the year from continuing operations	21 861	(75 753)	32 264	11 532	1 687
DISCONTINUED OPERATIONS					
Profit/(loss) for the year from discontinued operations	559	(2 621)	–	–	–
Profit/(loss) for the year	22 420	(78 374)	32 264	11 532	1 687
Profit/(loss) attributable to ordinary and "N" ordinary shareholders	10 837	(43 392)	20 118	5 709	147

* Prior year figures restated.

[^] Prior year figures reclassified due to discontinued operation.

Statement of Cash Flows

	2021 R'000	2020 R'000	2019 R'000	2018 R'000	2017 R'000
Operating profit before working capital changes	94 517	114 960	63 069	38 456	25 640
Working capital changes	36 786	15 449	7 459	(7 327)	(17 731)
Cash generated by operating activities	131 303	130 409	70 528	31 129	7 909
Investment income received	18 494	7 560	2 799	4 687	4 549
Interest paid	(37 290)	(38 127)	(125)	(71)	(163)
Dividends paid	(50)	(50)	(50)	(50)	(4 556)
Dividends received	38	29	27	45	21
Taxation paid	(412)	(8 719)	(10 475)	167	(862)
Net cash inflows from operating activities	112 083	91 102	62 704	35 907	6 898
Net cash outflows from investing activities	(5 409)	(16 576)	(148 610)	(26 353)	(31 705)
Loan received	–	–	72 000	–	234
Lease liabilities repaid	(66 753)	(57 495)	–	–	–
Shares repurchased by subsidiary	(1 905)	–	–	–	–
Net cash (outflows)/inflows from financing activities	(68 658)	(57 495)	72 000	–	234
Net increase/(decrease) in cash and cash equivalents	38 016	17 031	(13 906)	9 554	(24 573)
Cash and cash equivalents at the beginning of the year	72 624	55 593	69 499	59 945	84 518
Cash and cash equivalents at the end of the year	110 640	72 624	55 593	69 499	59 945

Statement of Financial Position

	2021 R'000	Restated* 2020 R'000	2019 R'000	2018 R'000	2017 R'000
ASSETS					
Non-current assets*	507 425	563 452	307 917	156 096	159 628
Current assets	212 341	217 076	178 574	192 920	170 987
Total assets	719 766	780 528	486 491	349 016	330 615
EQUITY AND LIABILITIES					
Ordinary shareholders' interest*	140 529	128 901	168 608	148 815	142 969
Preference share capital	550	550	550	550	550
Non-controlling interest	132 098	120 705	150 407	123 157	117 276
Total equity	273 177	250 156	319 565	272 522	260 795
Non-current liabilities*	301 984	376 360	98 005	19 807	19 979
Current liabilities*	144 605	154 012	68 921	56 687	49 841
Total liabilities	446 589	530 372	166 926	76 494	69 820
Total equity and liabilities	719 766	780 528	486 491	349 016	330 615

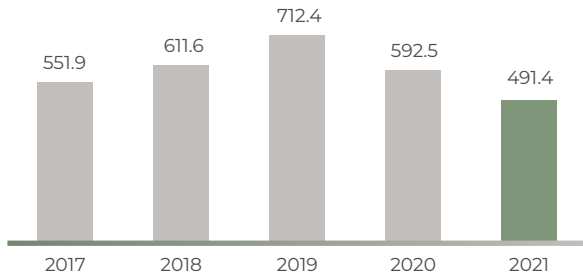
* Prior year figures restated.

FIVE-YEAR REVIEW (CONTINUED)

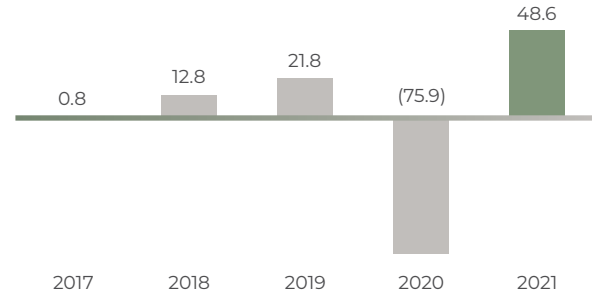
Group Ratios

		2021 R'000	2020 R'000	2019 R'000	2018 R'000	2017 R'000
Returns						
Return on equity	%	4.2	(15.3)	6.8	2.1	0.1
Return on capital	%	26.1	(20.2)	17.0	6.6	1.4
Return on assets	%	9.1	(9.1)	12.9	5.1	1.1
Productivity						
Total asset turn	(times)	0.6	0.9	1.6	1.7	1.6
Gross margin from operations	%	52.2	48.4	52.6	54.4	55.1
Operating margin from operations	%	10.5	(13.4)	3.2	2.2	(0.1)
EBITDA margin from operations	%	32.5	20.9	10.8	7.5	5.5
Profit/(loss) margin before tax	%	6.7	(18.1)	6.9	3.0	0.7
Inventory turn	(times)	2.3	2.7	3.3	3.2	3.4
Effective tax rate on operations	%	29.4	26.0	31.2	33.8	53.5
Solvency and liquidity						
Total liabilities to total equity	%	163.5	212.0	52.2	28.1	26.8
Current ratio	:1	1.5	1.4	2.6	3.4	3.6
Acid test ratio	:1	0.9	0.7	1.1	1.8	2.0
Annual growth on operations						
Retail sales	%	(17.8)	(16.7)	15.5	11.1	(1.6)
Operating profit/(loss)	%	164.1	(447.4)	70.4	1 785.9	(108.4)
Profit/(loss) for the year from continuing operations	%	128.9	(334.8)	179.8	583.6	(82.4)

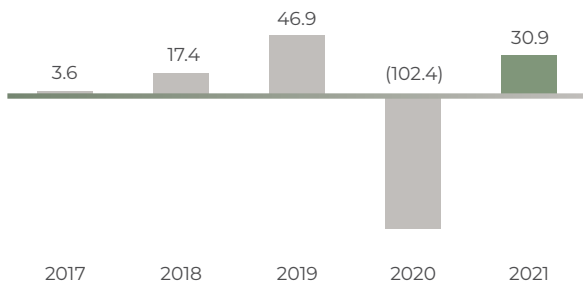
Revenue (R'm)



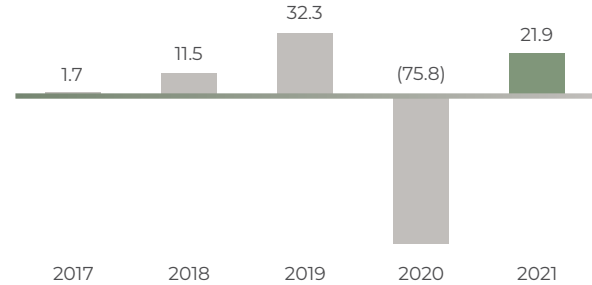
Operating Profit/(Loss) (R'm)



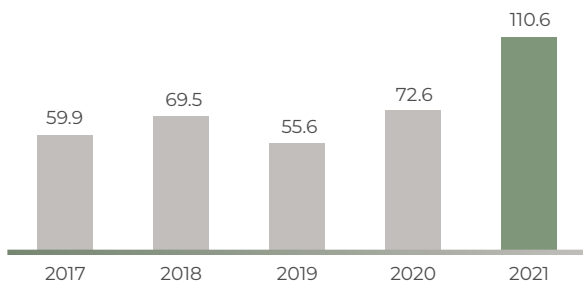
Profit/(Loss) before Tax (R'm)



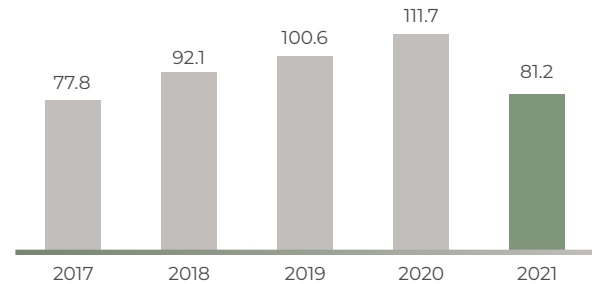
Profit/(loss) after tax (R'm)



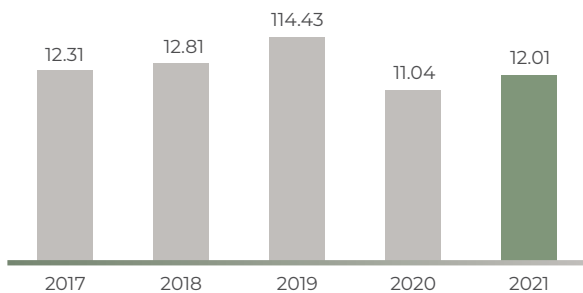
Cash and cash equivalents (R'm)



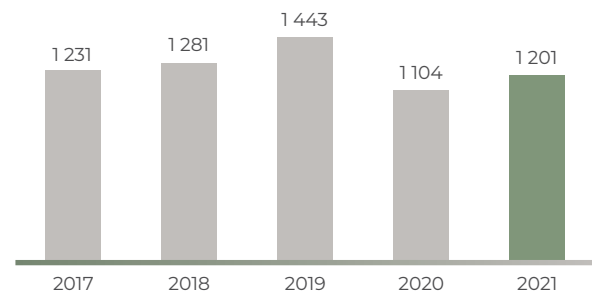
Inventory (R'm)



Net asset value per share (R)



Net asset value per share (cents)





GOVERNANCE

Board of Directors	16
Corporate Governance Report	18
Audit Committee Report	26
Social and Ethics Committee Report	28
Human Capital and Remuneration Report	30

BOARD OF DIRECTORS



Masedi Ramsey Molosiwa (49)
Independent Non-executive Chairman

Bachelor of Architectural Studies (BAS)

Director of Rex Trueform

4 years of service on the board

No other significant directorships



Marcel Anthony Golding (61)
Chief Executive Officer

BA (Hons)

Non-executive chairman of Rex Trueform,
Queenspark and Ombrecorp Trading

5 years of service on the board

Other significant directorships: Tsogo Sun
Gaming Limited, Texton Property Fund Limited,
Vunani Limited



Willem Deon Nel (57)
Executive Financial Director

BAcc, BCompt (Hons), CA (SA)

3 years of service on the board

No other significant directorships



Patrick Martin Naylor (76)
Lead Independent Non-executive Director

BSc (Eng)

Director of Rex Trueform

12 years of service on the board

No other significant directorships



Luntu Keabetswe Sebatane (41)
Independent Non-executive Director

BCom (Law), LLB

Director of Rex Trueform

4 years of service on the board

No other significant directorships



Hugh Bevis Roberts (60)
Independent Non-executive Director

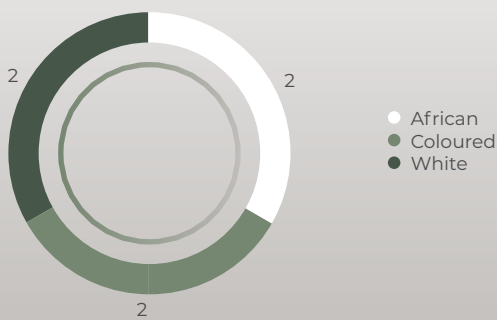
BCom, BSc, FIA, FASSA

Director of Rex Trueform

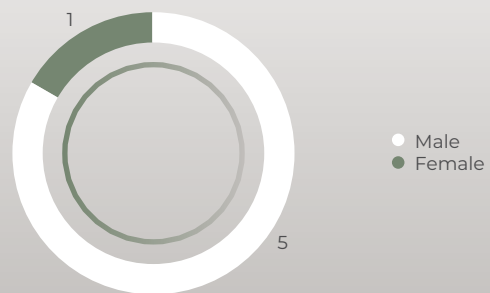
4 years of service on the board

No other significant directorships

Race



Gender



CORPORATE GOVERNANCE REPORT

Statement of Commitment

The board subscribes to the principles of corporate governance as set out in King IV, as read with the Companies Act and the Listings Requirements of the JSE Limited ("Listings Requirements"), recognising that the principles, which are basic and fundamental to good governance, are aspirations and ideals that the company should strive for in its journey towards good governance and realising the governance outcomes. The directors accordingly recognise the need to conduct the business of the company with integrity and responsibility and are committed to the application of high ethical standards in the conduct of the business.

Implementation of King IV

During the year under review the company continued with the implementation of King IV through the application of the King IV disclosure and application regime, recognising at all times that the practices as recommended in King IV are positioned at the level of leading practices and may, therefore, not all be suitable and appropriate for the company to achieve the principles and realise the intended governance outcomes and, further, that such practices are meant to be scaled proportionally in accordance with the small turnover, very small size of the company's workforce, its limited resources, its simple business model and structure, and the limited nature and extent of the activities undertaken by the company.

The board is of the opinion that, during the year under review, the company was substantially compliant with those recommended practices of King IV that are material to the effective corporate governance of the company, having regards at all times to the proportionality considerations as detailed above.

This report is intended to assist stakeholders in assessing and understanding the company's approach to corporate governance and compliance with King IV. The company's full King IV application register is available on the company's website at www.rextrueform.com.

Leadership

The board recognises its obligation to lead ethically and effectively. The board acts at all times in accordance with the standards of conduct required of it in terms of the Companies Act, has a fiduciary duty to, amongst other things, act in good faith and in a manner that the directors reasonably believe to be in the best interests of the company and does so in accordance therewith. The board exercises objective judgement on the affairs of the company independently from management.

The board has furthermore assumed responsibility for setting the direction of the company through the establishment of strategic objectives and policies, has taken overall accountability for the company and retains full and effective control of the company. In this regard the board considers and approves the company's strategy after taking into account financial and non-financial matters – including risks and opportunities. Risks are continuously assessed by the board (through its risk committee). Please note the further provisions of this corporate governance report in this regard.

Board members have a working knowledge of the organisation, are kept apprised of the industries within which the company's subsidiaries operate, and consider the economic and social environment within which the company operates. The board has appointed a social and ethics committee to consider, amongst other things, matters such as these. Feedback in respect thereof is noted in the social and ethics committee report.

The company has disclosure processes in relation to the disclosure of the interests of directors and conflicts of interest. All board members are required to report any conflicts of interest that may arise in the course of their duties. At the beginning of each meeting of the board and its committees, all members are required to declare whether any of them have any conflict of interest in respect of a matter on the agenda. Conflicts (if any) would be proactively managed, as determined by the board and subject to legal provisions.

The board furthermore understands that it has a duty to take the necessary steps to ensure the identification of key laws, rules, codes and standards applicable to the group. A standing agenda item in respect of all board meetings deals with material changes in laws and general corporate governance matters and the board is also kept informed of relevant laws, rules, codes and standards, including changes thereto, on an informal basis.

The board meets at least four times a year, with various committees of the board meeting at additional times during the year. The chairpersons of the various committees report back to the board on relevant matters dealt with at the committee meetings. Please note the table below for details regarding the attendance of board and committee members at meetings held during the year under review.

Directors are held to account for ethical and effective leadership by way of being subject to the board charter and a code of ethics, and performance evaluations of the board and its members are conducted in the manner required in terms of King IV. Furthermore, the performance of each board member would be taken into account by the nomination committee when nominating such member for re-election by shareholders at the relevant annual general meeting.

Organisational ethics

The board recognises its obligation to govern the ethics of the company in a way that supports the establishment of an ethical culture, including by way of setting the values to which the company adheres and taking active steps to ensure that the applicable ethical standards are integrated into the business operations.

This has been achieved, amongst other things, through the appointment of a social and ethics committee to, amongst other things, monitor the ethical nature of the board and the company's actions, the general conduct of the business of the company in a responsible and ethical manner, the issuing of the group code of ethics to board members and a supplier code of ethics to suppliers. The company is an investment holding company and, as such, the material matters relating to organisational ethics relate to the company's subsidiary, Rex Trueform and its subsidiaries, and are accordingly addressed in the Rex Trueform integrated annual report.

During the reporting period, key areas of focus included the continued implementation of the relevant recommended practices of King IV in relation to the abovementioned principle, having regard at all times to the proportionality considerations detailed above.

Planned areas of focus in relation to organisational ethics relate, in the main, to the company's subsidiary, Rex Trueform and its subsidiaries, and are accordingly addressed in the Rex Trueform integrated annual report.

Responsible corporate citizenship

The board recognises its responsibility to ensure that the company is and is seen to be a responsible corporate citizen. Please note the social and ethics committee report for further details in this regard (together with the relevant portions of the Rex Trueform integrated annual report).

Planned areas of focus include the continued expansion of the company's enterprise, supplier development and socio-economic development contributions – specifically philanthropic support in education – and monitoring (on an informal basis) as to how the consequences of the company's limited activities and outputs affect its status as a responsible corporate citizen in the areas of the workplace, the economy, society and the environment.

Strategy and performance

The board appreciates that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The board of the company is responsible for setting the direction of the company through the establishment of strategic objectives and policies, and takes overall accountability for the company by taking responsibility for its management.

As noted above, the board considers and approves the company's strategy after taking into account financial and non-financial matters – including risks and opportunities (to the extent applicable, having regard to the proportionality considerations detailed above). The board continues to oversee the implementation of the agreed strategy, including by way of board meetings and the receipt of information from management (including financial reporting).

Authority and responsibility have been delegated to the CEO and management for the implementation of the agreed strategy, and the ongoing management of the company's business.

Reporting

The board recognises its responsibility to ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short-, medium- and long-term prospects.

The company engages with its stakeholders by way of the integrated annual report, annual financial statements, interim reporting announcements, at its annual general meeting,

SENS announcements and circulars (when applicable), the website and direct contact via the company secretary.

The board (duly assisted by the relevant committees) assumes responsibility for the company's reporting and furthermore acknowledges its ultimate responsibility for the integrity of the integrated annual report as a whole. The board approves all external reports of the company, including in an endeavour to ensure that these meet the legitimate and reasonable needs of material stakeholders, and has reviewed the integrated annual report and annual financial statements prior to the publication thereof and approved these for release. While the annual financial statements are assured by the external auditors, the integrated annual report (other than the financial statements contained herein) are not externally assured.

The integrated annual report focuses on issues which the board and management believe are material to stakeholders and could significantly affect the group's ability to create value. The board is satisfied that the integrated annual report for the 2021 financial year will enable stakeholders to obtain insight into the operations of the company's business, business strategy and the financial and sustainability performance of the company, having regard at all times to the company's simple business model and structure, and the limited nature and extent of the activities undertaken by the company.

Primary roles and responsibilities of the board

The board recognises its obligation to serve as the focal point and custodian of corporate governance in the company, and exercises its leadership role by, amongst other things, steering the organisation and setting its strategic direction, approving policy and planning that give effect to the direction provided, overseeing and monitoring of implementation and execution by management, and ensuring accountability for organisational performance by means of, amongst other things, reporting and disclosure.

The board's role, responsibilities, membership requirements and procedural conduct are documented in a board charter, which it regularly reviews to guide its effective functioning. The board is satisfied that it has fulfilled its responsibilities in accordance with the board charter for the period under review.

Board members are entitled to and have access to all relevant company information and management to assist them in the discharge of their duties and responsibilities, and in order for them to take informed decisions.

Board meetings

The board meets at least three times a year to consider performance, to monitor issues of strategic direction and to consider any other issues having a material effect on the company.

A formal agenda is prepared for each board meeting and comprehensive board packs containing the information required, in order to enable directors to make informed decisions, are forwarded to directors and invitees prior to board meetings.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The number of board meetings and meetings of the risk, audit, social and ethics, remuneration and nomination committees held during the financial year ended 30 June 2021, and attendance by board members and the company secretary at those meetings, was as follows:

	Board	Risk Committee	Audit Committee	Social and Ethics Committee	Remuneration Committee	Nomination Committee
Number of meetings	3	2	2	2	2	2
Non-executive directors						
PM Naylor	3	2	2	2	2	2
LK Sebatane	3	–	2	–	2	2
HB Roberts	3	2	2	–	–	–
MR Molosiwa	3	–	1~	2	2	2
Executive directors						
MA Golding	2	–	–	1	1~	1~
CEA Radowsky*	2~	2	2~	–	–	–
WD Nel	3	–	2~	–	–	–
Company Secretary	3~	2~	2~	2~	2~	2~

Certain group executives attend meetings by invitation. Please note the further provisions of this corporate governance report for details of any resignations from, and appointments to, the above committees.

* CEO of Queenspark and Queenspark Distribution Centre. Resigned as CEO of the Company with effect from 31 August 2018 notwithstanding has remained a member of the risk committee.

~ By invitation.

Composition of the board

Composition

The company has a unitary board structure which consisted during the year under review of four non-executive directors, all of whom are independent, and two executive directors.

Executive directors are involved in the day-to-day management of the company as opposed to the non-executive directors who are chosen for their knowledge, skills and experience and bring an independent view to bear on key issues.

The company's directors are subject to retirement by rotation and re-election in terms of the company's Memorandum of Incorporation as read with the Listings Requirements.

A policy on the promotion of diversity at board level has been approved by the board. When recommending persons for appointment to the board, the nomination committee has considered and applied this policy. The board has determined that, at this stage, and given the current level of diversity enjoyed by the board, no voluntary targets in relation to the diversity of the board will be set. The board will consider this on an annual basis when reviewing the policy.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Chairman

The chairman, MR Molosiwa, is responsible for, amongst other things, leading the board in the objective and effective discharge of its governance role and responsibilities and for representing the board to shareholders.

The chairman is an independent non-executive director and is elected by the board. PM Naylor, an independent non-executive director, was nevertheless re-appointed as the lead independent director and remains in such role.

Nomination, election and appointment of members to the board

Prior to nominating a candidate for election, the nomination committee considers, amongst other things, the collective knowledge, skills and experience required by the board, the diversity of the board and whether the candidate meets the appropriate fit and proper criteria.

Independence and conflicts

The board annually assesses the independence of the independent non-executive directors and has ascertained that PM Naylor, LK Sebatane, HB Roberts and MR Molosiwa all satisfy the criteria for independence. PM Naylor has served on the board as an independent non-executive director for longer than nine years. Upon assessment, the board has concluded that PM Naylor exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in PM Naylor's decision-making.

Committees of the board

The board has ensured that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties, by way of the appointment of audit, risk, social and ethics, remuneration and nomination committees.

Audit Committee

Name	Qualification	Date of first appointment
PM Naylor	BSc (Eng)	11/02/2006
LK Sebatane	BCom (Law), LLB	17/11/2017
HB Roberts	BCom, BSc, FIA, FASSA	17/11/2017

The audit committee comprises PM Naylor, the lead independent non-executive director of the company who chairs the audit committee, and LK Sebatane and HB Roberts, who are both independent non-executive directors.

The audit committee meets at least twice a year, specifically prior to the publication of the company's and group's interim and final results. These meetings are attended by the external auditors, the chairman of the board and, where appropriate, executive directors and the financial managers of the group by invitation. The audit committee is governed by formal terms of reference which set out, amongst other things, the role and responsibilities of the audit committee and its processes and procedures.

The board is of the view that the current audit committee members possess the skills, knowledge, capacity and experience necessary for them to carry out their duties and responsibilities.

Further details regarding the functioning of the audit committee, including its role and responsibilities, and key areas of focus during the period under review, are set out in this corporate governance report, as read with the audit committee report which is included in this integrated annual report.

Remuneration Committee

The remuneration committee comprises MR Molosiwa (who chairs the committee), LK Sebatane and PM Naylor, who are all independent non-executive directors.

The role of the remuneration committee is to:

- ensure that the company's directors and senior executives (if any) are, to the extent applicable, fairly, responsibly and transparently rewarded for their individual contributions to the company's overall performance;
- demonstrate to all stakeholders that the remuneration of senior executives (if any) is set by a committee of board members who have no personal interest in the outcome of their decisions and give due regard to the interest of the shareholders of the company, and to
- the financial and commercial health of the company, in setting such remuneration;
- approve the company's remuneration policy and report from time to time; and
- play an active role in succession planning activities, particularly in regard to the CEO and senior executives (if any).

Directors' remuneration and their interest in shares and share options (to the extent applicable) have been audited by PricewaterhouseCoopers Inc., and can be found in the notes to the financial statements. Further information regarding the directors' remuneration is provided in the human capital and remuneration report. Further details regarding the functioning of the remuneration committee are set out in this corporate governance report.

The remuneration committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Nomination Committee

Name	Qualification	Date of first appointment
PM Naylor	BSc (Eng)	01/07/2006
MR Molosiwa	BAS	29/01/2018
LK Sebatane	BCom (Law), LLB	29/01/2018

The nomination committee comprises PM Naylor (who chairs the committee), LK Sebatane and MR Molosiwa, who are all independent non-executive directors.

The role of the nomination committee is to assist the board to ensure that:

- the board has an appropriate composition for it to execute its duties effectively;
- directors are nominated, elected and/or appointed through a formal process;
- induction and ongoing training and development of directors takes place;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- formal succession plans for the board, the CEO and senior management appointments (if any) are in place; and
- the performance of the board, its chairperson and the CEO is evaluated in the manner contemplated in the company's board charter.

During the reporting period, the nomination committee's key areas of focus included the nomination and recommendation of directors for election to the board and the nomination and recommendation of the appointment of the new CEO. Further details regarding the functioning of the nomination committee are set out in this corporate governance report.

The nomination committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Risk Committee

Name	Qualification	Date of first appointment
HB Roberts	BCom, BSc, FIA, FASSA	30/01/2018
PM Naylor	BSc (Eng)	30/01/2018
CEA Radowsky	BA	15/01/2015

The board is responsible for the governance of risk and is assisted by both the audit committee and a risk committee, who has an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The risk committee does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.

The risk committee consists of HB Roberts (who chairs the committee) and PM Naylor, who are both independent non-executive directors, and CEA Radowsky, who is the CEO of Queenspark and Queenspark Distribution Centre.

The role of the risk committee is to assist the board to ensure that:

- the company has implemented an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives; and
- the disclosure regarding risk is comprehensive, timely and relevant.

The risk committee furthermore assists the board in fulfilling its responsibilities by performing the following functions:

- overseeing the development and annual review of a policy and plan in respect of risk management for approval by the board;
- monitoring implementation of the policy and plan;
- making recommendations to the board concerning the levels of tolerance for risk and monitoring same;
- ensuring that risk management assessments are performed on a continuous basis;

- ensuring that frameworks and methodologies are implemented to improve the prediction of risk;
- verifying that continuous risk monitoring by management takes place;
- verifying that management considers and implements appropriate risk responses;
- liaising with the audit committee to exchange information relevant to risk; and
- reporting to the board on the effectiveness of the system and process of risk management.

Further details regarding the functioning of the risk committee, including its key areas of focus during the period under review, are set out in this corporate governance report.

The key risks arising in respect of the group mainly relate to the company's subsidiary, Rex Trueform and its subsidiaries, and are accordingly addressed in the Rex Trueform integrated annual report.

The risk committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. During the 2021 financial year the risk committee will continue to focus on, and perform, its abovementioned functions.

Social and Ethics Committee

The social and ethics committee comprises PM Naylor (who chairs the committee) and MR Molosiwa, who are both independent non-executive directors, and MA Golding who is an executive director.

Further details regarding the functioning of the social and ethics committee, including its role and responsibilities, and key areas of focus during the period under review, are set out in this corporate governance report, as read with the social and ethics committee report.

Evaluations of the performance of the governing body

The board recognises its responsibility to ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

During the period under review the board considered, reflected on and discussed its own performance and that of its committees, its chair and its individual members and concluded that it was satisfied with such performance – including that the evaluation process is improving the board's performance and effectiveness. It is anticipated that the process of evaluation of board members and committees will continue to be improved upon over time. The performance evaluations were not externally facilitated.

Appointment and delegation to management

CEO appointment and role

The CEO, MA Golding, is responsible for leading the implementation and execution of approved strategy, policy and operational planning. The CEO is furthermore responsible for ensuring that the limited business affairs of the company are properly managed.

The roles of chairman, CEO, financial director and the remaining non-executive directors are separated, there being a clear division of responsibilities at board level, as informed by the Memorandum of Incorporation of the company, together with the company's board charter, in order to ensure that no one director has unfettered powers of decision-making.

A formal succession plan for the CEO is in place to provide continuity of executive leadership. The succession plan is reviewed on an annual basis, and provides for both successions in emergency situations and succession over the longer term.

The CEO's service contract is for an indefinite period and is subject to a three-month notice period. Further required disclosure in relation to the CEO is set out in this integrated annual report, including the human capital and remuneration report.

Delegation

The board has delegated certain of its powers to its committees and other powers have been delegated to the group's executive and other management. The board charter distinguishes between those matters that are reserved for decision by the board and those that may be delegated to management, and the various committees' terms of reference set out the delegation by the board of its powers to such committees. Delegation by the board of its powers does not mitigate or dissipate the responsibility of the board to discharge its duties and responsibilities. The board is satisfied that the delegation of authority framework within the company contributes to role clarity and the effective exercise of authority and responsibilities.

Professional corporate governance services to the board

The board recognises its responsibility to ensure that it has access to professional and independent guidance on corporate governance and its legal duties, and also that it has support to co-ordinate the functioning of the board and its committees, by way of the appointment of a company secretary, whose responsibilities include:

- providing the directors of the company with guidance as to their duties, responsibilities and powers; and
- providing a central source of guidance and advice to the board, and within the company, on matters of good governance and changes in legislation.

The company secretary is not a director of the company and has no relationship with the board that interferes with her

maintenance of an arm's-length relationship with the board. The company secretary attends all board and committee meetings by invitation, including in order to maintain a record of such meetings.

The board considers and satisfies itself on an annual basis as to the performance, competence, qualifications and experience of the company secretary and is satisfied that during the year under review the company secretary, given her performance, competence, qualifications and experience, discharged her duties effectively and appropriately, and maintained an arm's-length relationship with the board.

All directors have unlimited and unfettered access to the advice and services of the company secretary. The board believes that the arrangements in place for accessing professional corporate governance services are effective.

Risk governance

The board recognises its responsibility to govern risk in a way that supports the company in setting and achieving its strategic objectives, and is committed to a process of risk management that is aligned to the principles of good corporate governance as encompassed in King IV.

Risk management assists the company in achieving its objectives by establishing a formal, structured approach of identifying, prioritising and managing risks, with the aim of ensuring both the short-term and long-term sustainability of the company. The risk management vision of the company is the effective and efficient management of risk, enabling the company to fulfil its mandate, the service delivery expectations of the stakeholders and the performance expectations within the company itself.

Risk management is recognised as an integral part of responsible management and the company therefore adopts a comprehensive approach to the management of risk. Management ensures that the company has an effective ongoing risk assessment process, consisting of risk identification, prioritisation and evaluation. Risks are prioritised in terms of their impact and likelihood.

At least twice a year a facilitated and formal process is undertaken to update a documented risk register across the entity. The financial director of Rex Trueform assists with the management and facilitation of the risk management process of the company.

Technology and information governance

The board recognises its responsibility to govern technology and information in a way that supports the company in setting and achieving its strategic objectives.

In order to manage the group's resources more effectively the company receives certain IT-related services from its subsidiary, Queenspark. The company therefore does not have its own IT infrastructure but rather utilises the services of its subsidiary in this regard. Queenspark owns and manages various IT facilities and resources utilised to provide the services to the company,

CORPORATE GOVERNANCE REPORT (CONTINUED)

and is responsible for the implementation and maintenance of IT governance. The company (and the board) has access to relevant information regarding matters of IT governance within Queenspark including its policies and procedures relating thereto.

The role that electronic communication and information technology play in the group is of central importance. In recognition thereof the group has previously adopted, and continues to entrench, applicable strategies, policies and processes. All directors are regularly informed of key information technology matters and the executive directors oversee the IT department. Responsibility for the implementation of IT governance within the group is assigned to the information technology management employed in the group. The Queenspark risk committee within the group assists the group in the management of IT risks. Furthermore, the assistance of external experts is obtained to assist the group in the governance of IT.

During the reporting period, the group focused on business resilience from an IT perspective and the improvement of the group's business intelligence software. There were no significant changes in policy, IT-related acquisitions or IT-related incidents.

Compliance governance

The board recognises its responsibility to govern compliance with applicable laws and, to the extent adopted, non-binding rules, codes and standards, in a way that supports the company being ethical and a good corporate citizen. A standing agenda item in respect of all board meetings deals with material changes in laws and the board is also kept informed of relevant laws, rules, codes and standards, including changes thereto, on an informal basis. The company is in compliance with the Companies Act and other relevant laws of establishment, specifically relating to its incorporation. Further, the company is operating in conformity with its memorandum of incorporation.

To the best of the company's knowledge and belief, it has complied with all applicable Listings Requirements and every disclosure requirement for continued listing on the JSE imposed by the JSE for the financial year under review.

The risk committee assists the company in complying with the regulatory requirements and promoting processes and procedures that are risk appropriate, so that the company achieves its goals without fear of penalties or reputational harm.

The group utilises the resources of experts, when necessary, to assist in the management of compliance.

The group has appropriately qualified employees in executive positions (including an in-house legal adviser) to assist with matters of compliance and has appointed a company secretary (who also performs the role of the group's in-house legal adviser) to provide a central source of guidance and advice to the board, and within the company, on matters of good governance and of changes in legislation, which are made available to the company when required. Key focus areas during the period under review included the continued implementation of King IV, the Broad-Based Black Economic Empowerment Act and continual monitoring of the

regulatory environment and appropriate responses to changes and developments, including to all laws and regulations applicable to the company (and the group).

No material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations were imposed on the group or on members of the board during the period under review. Furthermore, no monitoring and compliance inspections were undertaken by environmental regulators, and there were no findings of non-compliance with environmental laws, or criminal sanctions and prosecutions.

Remuneration governance

The board recognises its responsibility to ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term. The remuneration policy and remuneration report (including the background statement, overview of the remuneration policy, implementation report and voting on the remuneration policy by the company's ordinary and "N" ordinary shareholders) is contained in the human capital and remuneration report.

Assurance

The board recognises its responsibility to ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the company's external reports. The board has assumed responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions.

The board has delegated to the audit committee the responsibility for providing independent oversight of, amongst other things, the effectiveness of the company's assurance functions and services, with particular focus on combined assurance arrangements, including external audit, internal audit, the finance function and the integrity of the annual financial statements.

The board is responsible for the company's internal control systems and for reviewing their effectiveness. Appropriate systems of internal control are maintained. The group's internal audit function is considered essential to maintaining the integrity, adequacy, efficiency and effectiveness of the company's financial and non-financial controls. The internal auditor resigned from the group with effect from 28 January 2020. At the time of this report, the internal auditor post remains vacant pending a recruitment outcome. The year under review has seen the continued entrenchment of the risk assessment process. The risk assessment process, which is ordinarily reviewed by internal audit, forms part of the combined assurance framework.

Ordinarily, the internal audit function develops an annual internal audit plan that is approved by the audit committee. The audit committee reviews and approves the internal audit charter and internal audit plans, and evaluates the independence, effectiveness and performance of the internal audit function. Due to low inherent risk within the company having regard to, amongst other things, the simple business

model and structure of the company, it was decided that no internal audit would be necessary during the year. This will be reconsidered to the extent that the risk environment changes.

Further details and disclosures regarding the organisation's application of combined assurance, internal audit arrangements and the internal control environment are contained in the audit committee report which is included in this integrated annual report and the annual financial statements.



AUDIT COMMITTEE REPORT

The audit committee ("the committee") is pleased to present its report to the shareholders of African and Overseas Enterprises Limited for the financial year ended 30 June 2021.

Introduction

This report is issued in compliance with the requirements of the Companies Act and King IV.

Audit committee mandate

The audit committee also performs the audit committee functions for its subsidiary companies, Queenspark Proprietary Limited, Ombrecorp Trading (RF) Proprietary Limited and Queenspark Distribution Centre Proprietary Limited (the company and its subsidiaries, collectively hereinafter referred to as "the group").

The audit committee is governed by formal terms of reference that are reviewed regularly, delegated to it by the board of directors, which regulates the committee's functioning, processes and procedures. The committee fulfilled its responsibilities in accordance with its terms of reference during the 2021 financial year.

Members of the audit committee and attendance at meetings

All members of the committee are independent non-executive directors, with the committee being chaired by PM Naylor, the lead independent non-executive director of the company. The members of the committee have the necessary academic qualifications, or experience, financial literacy and skills to execute their duties effectively.

The committee met twice during the year under review, specifically prior to the publication of (and to review) the company's and group's interim and final results (in addition to reviewing the reports of the external auditors and the risk committee).

The committee meetings were attended by the external auditors, the chairman of the board, the executive directors and the financial managers of the group by invitation. Each committee meeting is preceded by meeting dates and topics agreed well in advance each year and by the distribution of a comprehensive committee pack containing all information required in order to assist the committee in fulfilling its duties.

Role and responsibilities of the committee

The committee's role and responsibilities include the following:

- Ensuring that appropriate financial procedures have been established and are operating.
- Overseeing integrated reporting.
- Ensuring a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.
- Reviewing the effectiveness of the company's finance function and considering, on an annual basis, and satisfying

itself of the appropriateness of the expertise and experience of the financial director.

- Overseeing the internal audit process.
- Acting as an integral part of the risk management process.
- Nominating the external auditor and overseeing the external audit process.
- Complying with any further responsibilities included in the committee's terms of reference and/or the Companies Act and the Regulations thereto, to the extent not specifically addressed above.
- External auditor's appointment, independence and oversight of the external audit process.

The committee nominated PricewaterhouseCoopers Inc. ("PwC") as the group's external registered auditor for the year under review and further approved the terms of engagement and fees to be paid. PwC was duly appointed as the group's external auditor in respect of the year under review with the designated registered auditor being Richard Jacobs.

External auditor's appointment, independence and oversight of the external audit process

The committee has nominated PwC for appointment by shareholders as the company's external auditor, at the annual general meeting held on 22 January 2021 in respect of the 2020 financial year, with R Jacobs as the designated registered auditor for the 2021 financial year, the committee having satisfied itself (as required by the JSE Listing Requirements):

- that the audit firm is accredited by the JSE; and
- that the quality of the external audit is satisfactory (after referencing the most recent inspection reports issued by the Independent Regulatory Board for Auditors (IRBA) in respect of both audit firm and the designated audit partner).

The committee also gave due consideration to the independence of the external auditor and is satisfied that PwC Inc. is independent of the group and executive and senior management and therefore able to express an independent opinion of the group's annual financial statements.

The external auditor is afforded unrestricted access to the company's records and to management. Any significant issues arising from the annual audit (if any) are brought to the committee's attention. In this regard, it is noted that the audit adjustments identified by the external auditor were considered by the committee, applicable adjustments to the financial statements were made (having regard to applicable materiality levels) and an unmodified external auditor's report was issued.

The nature and extent of the non-audit services that the external auditor provides to the company have been agreed by the committee, being taxation and assurance-related non-audit services, and the external auditor is only permitted to provide such pre-agreed non-audit services to the company. Any proposed agreement with the external auditor for the provision of non-audit services is pre-approved by the committee.

Internal audit

The internal auditor resigned from the group with effect from 28 January 2020. At the time of this report the internal auditor post remains vacant pending a recruitment outcome.

Expertise and experience of financial director and evaluation of the finance function

As required by the JSE Listings Requirements, read with King IV, the committee has considered the appropriateness of the expertise and experience of the financial director, and the effectiveness of the finance function (including after meeting with the external auditor without the financial director and any representatives of the group's finance function being present).

In this regard, the committee is of the view that WD Nel, the financial director, possesses the appropriate expertise and experience to fulfil his responsibilities in that position. The committee, after having furthermore considered the expertise, resources and experience of the finance function, has confirmed that such function is effective, including having regard to the nature, complexity and size of the company's operations.

Combined assurance

The company subscribes to a combined assurance model that attempts to limit or control risk in its businesses by making use of both internal and third-party assurance providers (including the group's own internal line functions, risk committees, internal auditor and external auditor). During the year under review the committee evaluated the arrangements in place for combined assurance, and confirmed that it was satisfied with same.

Internal financial controls

The committee noted that there were no significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error, and is of the opinion that:

- the internal financial controls are effective (including in their implementation) and accounting practices are appropriate, which both form the basis for the preparation of reliable financial statements in respect of the year under review; and
- the company has established appropriate financial reporting procedures and that these procedures are operating effectively.

Financial statements and accounting practices

Following the review by the committee of the annual financial statements for the year ended 30 June 2021, the committee is of the view that in all material respects they comply with the relevant provisions of the Companies Act and with the International Financial Reporting Standards and fairly present the group and company financial position at that date and the results of operations and cash flows for the year then ended.

Integrated annual report

The committee will satisfy or has satisfied, as the case may be (and depending on whether this report is contained in the annual financial statements or the integrated annual report), itself with the integrity of the remainder of the integrated annual report.

Conclusions

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. Having achieved its objectives, the committee has recommended the annual financial statements and will recommend the integrated annual report for the year ended 30 June 2021 for approval by the board.

The board has subsequently approved the annual financial statements, and has approved (or will approve, as the case may be) the integrated annual report, which will be open for discussion at the forthcoming annual general meeting.

On behalf of the committee.



PM Naylor
Audit Committee Chairman
30 September 2021

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee is pleased to present its report to the shareholders of African and Overseas Enterprises, which report is for the financial year ended 30 June 2021.

Introduction

This report is made to shareholders in compliance with the requirements of the Companies Act and King IV.

Social and Ethics Committee Mandate

The social and ethics committee is governed by formal terms of reference which incorporates the requirements of the Companies Act. The terms of reference of the social and ethics committee includes assisting the company in the implementation of the applicable recommended practices in terms of King IV in relation to organisational ethics,

responsible corporate citizenship, sustainable development and stakeholder relationships (subject at all times to the proportionality considerations particular to the company). It is envisaged that this would be achieved by way of the social and ethics committee, amongst other things, overseeing and monitoring, on an ongoing basis, how the consequences of the company's activities and outputs affect its status as a responsible corporate citizen in the areas of workplace, economy, society and environment – having regard to the fact that the company is an investment holding company and conducts limited activities.

Role of the Social and Ethics Committee

The social and ethics committee is broadly responsible for monitoring the company's activities, having regard to relevant legislation, other legal requirements or prevailing codes of best practice (where practical) in terms of matters relating to:

- social and economic development;
- good corporate citizenship;
- the environment, health and public safety;
- consumer relationships; and
- labour and employment.

The social and ethics committee is further responsible for:

- assisting in the implementation of an ethics management programme within the company;
- overseeing that the ethics of the company are correctly captured and conveyed;
- assessing ethics-related risks and opportunities;
- undertaking such other social- and ethics- related duties delegated to it by the board;

- assisting in the implementation of the applicable recommended practices in terms of King IV relating to organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, subject at all times to the proportionality considerations particular to the company in relation thereto;
- drawing matters within its mandate to the board as occasions require; and
- reporting to the board and the shareholders.

The social and ethics committee plays an assessing, initiating, monitoring and reporting role, as opposed to an implementation role within the company.

Composition and Attendance at Meetings

The composition of the social and ethics committee and particulars relating to the attendance of its meetings are detailed in the corporate governance report.

Meetings of the social and ethics committee are also attended by the company secretary by invitation.

Non-executive directors and executive directors do not receive a fee in respect of committee membership.

Committee functioning

Feedback in respect of key areas of focus in respect of the 2021 financial year:

Economy

The company appreciates that the consequences of the organisation's activities and outputs in the area of the economy affect its status as a responsible corporate citizen. Geomer Investments (a level 1 B-BBEE rated company) controls the company. This, combined with the significant transformation of the diversity of the board, is indicative of the inroads being made by and within the company and the group of which it forms a part in the area of economic transformation. Furthermore, the company has made contributions to a previously disadvantaged supplier and has contributed to the tertiary education costs of one deserving previously disadvantaged student.

Environment

As the company is an investment holding company it has limited direct impact on the environment. The company's operating subsidiaries, however, arguably have a greater impact on the environment.

Further detail in respect of the subsidiaries may be found in the social and ethics committee report contained in the Rex Trueform integrated annual report.

Social

Various social initiatives have been implemented within the group of which the company forms a part.

Further detail in respect of the subsidiaries may be found in the social and ethics committee report contained in the Rex Trueform integrated annual report.

Workplace

The company is an investment holding company with few employees, with the majority of employees being employed within subsidiary companies. The group of which the company forms a part of continues to apply fair labour practices as group employees are integral to the success of the business of the company's subsidiaries.

Further detail in respect of the subsidiaries may be found in the social and ethics committee and remuneration reports contained in the Rex Trueform integrated annual report.

The social and ethics committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Planned areas of focus of the next financial year and beyond

The social and ethics committee is to consider and, where practical, implement improved social and ethical business practices within the group. Planned areas of focus include the expansion of the company's enterprise, supplier development and socio-economic development contributions – specifically philanthropic support in education – and monitoring as to how the consequences of the company's activities and outputs affect its status as a responsible corporate citizen in the abovementioned areas.

HUMAN CAPITAL AND REMUNERATION REPORT

Background statement and remuneration policy

The group recognises that employees play an essential role in the operations.

All employees in the group are employed by group subsidiaries, save for the company's CEO, financial director and legal advisor, who are employed by the company. Non-executive directors do not receive directors' fees for serving on the board or board committees of the company.

In the financial year under review ordinary and "N" ordinary shareholders, exercising 92.15% of the voting rights exercised, approved the company's remuneration policy and implementation report – with no issues being raised by any such shareholders in this regard.

Voting on the remuneration policy and the remuneration implementation report

The remuneration policy and the remuneration implementation report will be tabled for separate non-binding advisory votes by shareholders at the company's upcoming annual general meeting. In the event that either the remuneration policy or the remuneration implementation report, or both, have been voted against by 25% or more of the voting rights exercised, then the company, in good faith and with best reasonable effort, will engage with dissenting shareholders to ascertain the reasons for the dissenting votes in an endeavour to appropriately address legitimate and reasonable objections and concerns raised.

	Directors' fees R'000	Fees for other services ¹ R'000	Basic salary R'000	Performance-related-payments R'000	Share-based payment R'000	Value of other benefits R'000	Retirement fund contributions R'000	Total 2021 (R'000)	Total 2020 (R'000)
Executive directors									
MA Golding	455	81	–	–	–	–	–	536	396
WD Nel	–	–	–	–	319	–	–	319	595
	455	81	–	–	319	–	–	855	991
Non-executive directors									
PM Naylor	222	127	–	–	–	–	–	349	258
HB Roberts	189	82	–	–	–	–	–	271	200
LK Sebatane	182	36	–	–	–	–	–	218	161
MR Molosiwa	177	–	–	–	–	–	–	177	131
	770	245	–	–	–	–	–	1 015	750
Key management									
CL Lloyd	–	–	–	–	319	–	–	319	720
D Franklin	–	–	1 552	–	244	57	55	1 908	1 874
	–	–	1 552	–	563	57	55	2 227	2 594
Total	1 225	326	1 552	–	882	57	55	4 097	4 335

¹These are fees for services rendered in respect of the audit, risk, social and ethics, and retirement fund committees.

FINANCIAL STATEMENTS

Statement of Responsibility	32
Directors' Report	33
Summarised Consolidated Statement of Financial Position	37
Summarised Consolidated Statement of Comprehensive Income	38
Summarised Consolidated Statement of Changes in Equity	39
Summarised Consolidated Statement of Cash Flows	40
Segmental Analysis	41
Prior Period Restatement	42

STATEMENT OF RESPONSIBILITY

Companies Act notice

The summarised consolidated financial statements have been prepared under the supervision of the group financial director, WD Nel CA(SA). Included hereafter are the summarised consolidated financial statements, which summarises the audited financial statements as at 30 June 2021. The complete annual financial statements can be found on the company's website at www.rextrueform.com.

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the group and company annual financial statements of African and Overseas Enterprises Limited, comprising the statements of financial position at 30 June 2021 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The directors are furthermore responsible for the preparation of the directors' report, which forms part of the annual financial statements.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as preparation of the supplementary schedules included in the annual financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group and company financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of group and company annual financial statements

The group and company annual financial statements of African and Overseas Enterprises Limited, as identified in the first paragraph, were approved by the board of directors on 30 September 2021 and signed by:



MR Molosiwa
Chairman
Authorised director

Cape Town, 30 September 2021



MA Golding
Chief executive officer
Authorised director

Company Secretary's Certificate

I certify that African and Overseas Enterprises Limited has filed all returns and notices as required by a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.



A Mushabe
Company secretary

30 September 2021

Report of the Independent Auditor

The report of the independent auditor can be found in the annual financial statements, which are located on the company's website, www.rextrueform.com.

DIRECTORS' REPORT

Nature of business

African and Overseas Enterprises Limited is an investment holding company incorporated in South Africa and listed on the Johannesburg Stock Exchange Limited ("JSE") in the "apparel retailers" sector. The company has investments in fashion retail, property and water infrastructure. The company and its subsidiaries are collectively referred to as "the group". Subsidiaries held directly are presented in the notes to the annual financial statements.

The retail segment consists of the retail sales of ladies' and men's clothing, shoes, costume jewellery, related fashion accessories and cosmetics through Queenspark branded outlets located in South Africa. Namibian operations ceased in December 2020 and has been accordingly disclosed as discontinued operations in the annual financial statements. There were a total of 79 (2020: 83) stores in operation as at 30 June 2021 with net of four stores closed during the financial year. Queenspark successfully launched its online sales platform in June 2020.

The group's property portfolio consists of developed and undeveloped properties, held directly and indirectly through a subsidiary, Queenspark Distribution Centre Proprietary Limited. Rex Trueform Office Park situated in Salt River is the main operating property within the segment followed by the property in Wynberg, which is utilised by the retail segment as a distribution centre. Two properties are undeveloped, a vacant factory and vacant land situated in Salt River. The vacant factory has heritage significance which limits any potential development. The board is actively looking for development opportunities which will yield a satisfactory return in relation to any capital outlay.

Water infrastructure investments are held via the group's investment in Ombrecorp Trading (RF) Proprietary Limited and SA Water Works Holding Company (RF) Proprietary Limited and its subsidiaries. Operations consist of two water concession businesses operating in Mpumalanga and KwaZulu-Natal, which provide water and water services to residential, industrial and commercial consumers pursuant to concession agreements executed with municipalities in the respective areas.

Financial results

The financial results of the company and the group for the year are set out in the financial statements.

Share capital

The share capital of the company, both authorised and issued, is set out in the notes to the financial statements.

Dividends

Details of dividends paid during the year are as follows:

	2021 R'000	2020 R'000
Dividends on ordinary and "N" ordinary shares:		
Dividend paid in respect of the ordinary shares	–	–
Dividend paid in respect of the "N" ordinary shares	–	–
Dividends on 6% cumulative preference shares:		
Half-year ended 31 December 2020	16	16
Half-year ended 30 June 2021	17	17
Total	33	33

The directors have not proposed a dividend per share (2020: R nil) in respect of the ordinary and "N" ordinary shares.

Solvency and liquidity test

The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa.

Holding company

The company's ultimate holding company is Geomer Investments Proprietary Limited who holds a 70.78% (2020: 70.78%) voting interest and a 37.65% (2020: 37.65%) economic interest in the company.

DIRECTORS' REPORT (CONTINUED)

Investments

Full details of the company's investments are set out in the notes to the financial statements.

Special resolutions

At the annual general meeting of Rex Trueform Group Limited held on 22 January 2021 the shareholders approved the following special resolutions as tabled in the notice to the annual general meeting:

- Special resolution 1: Financial assistance
- Special resolution 2: General authority to acquire shares
- Special resolution 3: Approval of non-executive directors' fees
- Special resolution 4: Allotment and issue of shares to directors and prescribed officers

Corporate governance

During the financial year under review, the directors subscribed to the principles of corporate governance as set out in King IV. Specific applicable disclosure requirements are dealt with in the integrated annual report. Please note the corporate governance report in the integrated annual report in particular in this regard.

Board committees

The reports of the various board committees are included in the Integrated Annual Report.

Auditors

Subject to shareholder approval at the annual general meeting, PwC will continue in office in accordance with section 90(1) of the Companies Act.

Directors and company secretary

The names of and detail of emoluments paid to the executive and non-executive directors of the company are reflected in the notes to the annual financial statements. The company secretary is AR Mushabe.

The following changes in the composition of the board of directors occurred during the year:

Director	Event	Date
PM Naylor	Retired by rotation	22 January 2021
	Re-elected	22 January 2021
LK Sebatane	Retired by rotation	22 January 2021
	Re-elected	22 January 2021
MA Golding	Retired by rotation	22 January 2021
	Re-elected	22 January 2021

There were no other changes to the composition of the during the year.

LK Sebatane, MR Molosiwa and HB Roberts will retire at the 2021 annual general meeting in accordance with the company's Memorandum of Incorporation but, being eligible, will offer themselves for re-election.

Directors' interest in shares

The interest of directors in the ordinary and "N" ordinary shares of the company at 30 June was as follows:

	Direct holding	Indirect holding	Total
Directors 2021			
MA Golding	–	4 319 030	4 319 030
HB Roberts	–	5 901 539	5 901 539
WD Nel	52 796	–	52 796
Total	52 796	10 220 569	10 273 365
Directors 2020			
MA Golding	–	4 319 030	4 319 030
HB Roberts	–	5 901 539	5 901 539
WD Nel	42 238	–	42 238
Total	42 238	10 220 569	10 262 807

There have been no changes in the directors' interests in shares between 30 June 2021 and the date of approval of the annual financial statements of the company.

Employee share incentive scheme

Full details of share awards and options granted and exercised are reflected in the notes to the financial statements.

Litigation statement

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of the group.

Events subsequent to the reporting date

Civil unrest which took place in KwaZulu-Natal and in parts of Gauteng in July 2021 resulted in all the stores in KwaZulu-Natal and a few stores in Gauteng closing over the days of the civil unrest. Two stores in KwaZulu-Natal were damaged in the unrest and the loss of fixed assets and inventory at the two stores and the theft of equipment at a third party location are estimated to be R0.7m. The group is covered by SASRIA insurance cover for damage to fixed assets and stock loss. The accounting for the losses may take place in a reporting period which is different to that in which the insurance recovery is recorded.

In July 2021, Transnet, the port operating company in South Africa, announced that its computer systems were hacked causing major disruptions to all of its port operations. The situation was subsequently remedied with no material impact on the group or its results.

In November 2020, the company together with its subsidiary, Rex Trueform Group Limited, entered into a sale of shares agreement subject to certain suspensive conditions, to acquire 75% of Telemedia Proprietary Limited for a consideration of R67.5m to be settled in cash and shares, with the company acquiring a 11.29% stake for a consideration of R10m. The last outstanding suspensive condition was the written consent from the Independent Communications Authority of South Africa ("ICASA"). Also refer to SENS issued on 13 November 2020, 10 May 2021, 18 June 2021 and 28 August 2021.

During the month of September 2021 the group purchased an additional 2 712 989 shares in Texton Property Fund Limited ("Texton") for a total consideration of R9.3m. Texton is a Real Estate Investment Trust ("REIT") listed on the JSE Limited and the shares were purchased in the open market.

There is no other matter or circumstance which is material to the financial affairs of the company, which has occurred between 30 June 2021 and the date of approval of the financial statements, that has not been otherwise dealt with in the financial statements.

Going concern

Retail segment turnover was severely impacted in the second half of the prior financial year when clothing sales were prohibited under Level 5 lockdown and later subject to restrictions under Level 4. The country has been through varying levels of lockdown restrictions during the current financial year, none of which restricted clothing sales, and is currently under adjusted Level 2. Turnover has not yet fully recovered to pre-COVID-19 levels. With regard to lease commitments, management has continued to seek rental relief on arrears as well as the renegotiation of current leases with landlords. Short-term rental relief received during the year under review amounted to R29.2m (2020: R1.4m) and was recognised in profit and loss in terms of the amendment to IFRS 16. Leases that were favourably renewed or terminated during the year further resulted in gains on lease modifications amounting to R27.0m (2020: R1.4m) recognised in the current financial year. The full R27.0m has been recognised in the Statement of Comprehensive income as the related right-of-use assets were fully impaired. Right-of-use lease assets relating to loss-making and low-profitability stores amounting to R7.2m (2020: R75.5m) were impaired during the financial year.

COVID-19 and the ongoing lockdown restrictions is having a negative impact on the property sector, particularly in the retail and office segments in which the group operates. Rental relief amounting to R0.5m (2020: R0.9m) was granted during the financial year. Vacancies increased to 9.4% (2020: 1.1%) as at 30 June 2021. No significant unforeseen expenses were incurred relating to COVID-19 compliance.

With the provision of water and sanitation being an essential service the operations of the group's water infrastructure investment could continue operating despite restrictions imposed the various lockdown levels. Measures taken to mitigate the impact of COVID-19 include improved health and safety measures, cost-cutting, management of cash flow and securing the supply of materials essential to deliver services.

Despite the impact of COVID-19 on operations, the group is sufficiently capitalised and has sufficient cash resources to settle debts as they fall due. Cash and cash equivalents held by the group as at 30 June 2021 amounted to R110.6m (2020: R72.6m).

The financial statements have been prepared on the going concern basis. The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead. The directors are satisfied that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	2021 R'000	Restated* 2020 R'000
ASSETS		
Non-current assets	507 425	563 452
Property, plant and equipment	43 284	58 517
Investment property	60 829	63 242
Intangible assets	14 924	18 530
Right-of-use asset*	182 749	231 967
Investment in associate	170 081	153 386
Other investments	1 904	818
Loans receivable	987	967
Deferred tax asset*	32 667	36 025
Current assets	212 341	217 076
Inventories	81 237	111 680
Loan to associate	–	15 166
Trade and other receivables	19 434	11 127
Income tax receivable	211	5 670
Accrued operating lease asset	819	809
Cash and cash equivalents	110 640	72 624
Total assets	719 766	780 528
EQUITY AND LIABILITIES		
Capital and reserves	273 177	250 156
Share capital	3 629	3 629
Share premium	6 616	6 616
Treasury shares	(243)	–
Share-based payment reserve	3 891	4 157
Other reserves	1 875	1 419
Retained earnings*	125 311	113 630
Non-controlling interest	132 098	120 705
Non-current liabilities	301 984	376 360
Lease liability*	204 210	285 381
Post-retirement liability	312	654
Provisions*	3 078	3 254
Loan payable	82 067	74 762
Deferred tax liability	12 317	12 309
Current liabilities	144 605	154 012
Lease liability*	56 719	60 868
Trade and other payables	85 547	83 966
Provisions*	2 165	1 753
Loan payable	–	7 425
Forward exchange contracts	174	–
Total equity and liabilities	719 766	780 528

* Prior year figures restated.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	YoY Change	2021 R'000	Restated* 2020 R'000
CONTINUING OPERATIONS			
Revenue*^	(17.1%)	491 427	592 480
Retail sales^	(17.8%)	464 961	565 765
Cost of sales*^		(222 421)	(291 728)
Gross profit	(11.5%)	242 540	274 037
Other revenue*	(0.9%)	26 466	26 715
Other operating costs*^	(41.5%)	(220 393)	(376 620)
Operating profit/(loss)	(164.1%)	48 613	(75 868)
Investment income	(9.8%)	20 541	22 770
Finance costs^		(37 271)	(44 795)
Share of loss of associate		(939)	(4 473)
Profit/(loss) before tax	(130.2%)	30 944	(102 366)
Income tax*		(9 083)	26 613
Profit/(loss) for the year from continuing operations	(128.9%)	21 861	(75 753)
DISCONTINUED OPERATIONS^			
Profit/(loss) for the year from discontinued operations		559	(2 621)
Profit/(loss) for the year		22 420	(78 374)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Gain on post-retirement defined benefit plan		210	-
Items that are or may be subsequently reclassified to profit or loss			
Fair value adjustment on assets held at fair value through other comprehensive income		531	44
Other comprehensive income for the year, net of taxation		741	44
Total comprehensive income for the year		23 161	(78 330)
Profit/(loss) attributable to:			
Equity holders		10 870	(43 359)
Non-controlling interest		11 550	(35 015)
Profit/(loss) for the year		22 420	(78 374)
Total comprehensive income attributable to:			
Equity holders		11 322	(43 336)
Non-controlling interest		11 839	(34 994)
Total comprehensive income for the year		23 161	(78 330)
Basic earnings per ordinary share (cents)	(124.9%)	94.5	(378.9)
Diluted earnings per ordinary share (cents)	(125.0%)	94.3	(377.5)

* Prior year figures restated.

^ Prior year figures reclassified due to discontinued operation

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	2021 R'000	Restated* 2020 R'000
Share capital	3 629	3 629
Opening balance	3 629	3 102
Shares issued	–	527
Share premium	6 616	6 616
Opening balance	6 616	6 616
Treasury shares	(243)	–
Opening balance	–	–
Treasury shares purchased	(486)	–
Delivery of treasury shares	243	–
Share-based payment and other reserves	5 766	5 576
Opening balance	5 576	4 326
Delivery of treasury shares	(243)	–
Equity-settled share-based payment	(32)	1 245
Gain on post-retirement defined benefit plans	163	–
Fair value adjustment on assets held at fair value through other comprehensive income	289	23
Change in degree of control	13	(18)
Retained earnings*	125 311	113 630
Opening balance	113 630	155 114
Profit/(loss) for the year*	10 870	(43 359)
Delivery of treasury shares	–	796
Equity-settled share-based payment	484	264
Other retained income of associate	–	1 349
Change in degree of control	360	(501)
Preference dividends paid	(33)	(33)
Non-controlling interest	132 098	120 705
Opening balance	120 705	150 407
Profit/(loss) for the year*	11 550	(35 015)
Preference dividends paid	(17)	(17)
Delivery of treasury shares	–	662
Treasury shares purchased	(647)	–
Equity-settled share-based payment	591	727
Other retained income of associate	–	3 401
Gain on post-retirement defined benefit plans	47	–
Fair value adjustment on assets held at fair value through other comprehensive income	242	21
Change in degree of control	(373)	519
Total capital and reserves	273 177	250 156

* Prior year figures restated.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	2021 R'000	Restated* 2020 R'000
Cash flows from operating activities		
Operating profit before working capital changes	94 517	114 960
Working capital changes*	36 786	15 449
Investment income received	18 494	7 560
Interest paid	(37 290)	(38 127)
Dividends paid	(50)	(50)
Dividends received	38	29
Income tax paid	(412)	(8 719)
Net cash inflows from operating activities	112 083	91 102
Cash flows from investing activities		
Additions to property, plant, equipment and investment property	(4 197)	(16 115)
Additions to investment properties	(369)	(1 379)
Proceeds from disposal of property, plant and equipment	–	10
Loans advanced*	(20)	(29)
Loans repaid*	–	937
Investment in associate	(421)	–
Other investments	(402)	–
Net cash outflows from investing activities	(5 409)	(16 576)
Cash flows from financing activities		
Lease liabilities repaid	(66 753)	(57 495)
Share repurchased by subsidiary	(1 905)	–
Net cash outflows from financing activities	(68 658)	(57 495)
Net increase in cash and cash equivalents	38 016	17 031
Cash and cash equivalents at the beginning of the year	72 624	55 593
Cash and cash equivalents at the end of the year	110 640	72 624

* Prior year figures restated.

SEGMENTAL ANALYSIS

for the year ended 30 June 2021

	Retail R'000	Property R'000	Water infrastructure R'000	Group services R'000	Inter- segment eliminations R'000	Total R'000
2021						
Revenue						
Retail sales	464 961	–	–	–	–	464 961
Management fee income	1 785	–	2 116	4 186	(5 365)	2 722
Rental income	–	26 652	–	–	(6 799)	19 853
Tenant recoveries	–	4 922	–	–	(1 069)	3 853
Dividend income	–	–	34	4	–	38
Total group revenue	466 746	31 574	2 150	4 190	(13 233)	491 427
Depreciation and amortisation	72 931	2 867	–	–	–	75 798
Impairment	7 240	–	–	–	–	7 240
Operating profit/(loss)	42 099	15 364	(156)	(8 732)	–	48 575
Investment income	1 445	88	17 213	7 631	(5 836)	20 541
Finance cost	(30 023)	–	(12 877)	(207)	5 836	(37 271)
Share of loss of associate	–	–	(939)	–	–	(939)
Income tax	(3 356)	(4 326)	(1 171)	(230)	–	(9 083)
Profit/(loss) for the year	10 165	11 125	2 104	(1 533)	–	21 861
Segment assets	420 839	72 600	170 146	123 701	(67 520)	719 766
Segment liabilities	(343 717)	(7 783)	(144 943)	(13 440)	63 294	(446 589)
Capital expenditure	4 436	130	–	–	–	4 566

2020

Revenue						
Retail sales	565 765	–	–	–	–	565 765
Management fee income	3 142	–	3 041	3 924	(6 916)	3 191
Rental income	–	25 045	–	–	(5 708)	19 337
Tenant recoveries	–	5 494	–	–	(1 346)	4 148
Dividend income	–	–	–	29	–	29
Profit on sale of property	10	–	–	–	–	10
Total group revenue	568 917	30 539	3 041	3 953	(13 970)	592 480
Depreciation and amortisation	96 496	3 194	–	–	–	99 690
Impairment	75 860	–	–	–	–	75 860
Operating profit/(loss)	(82 042)	14 204	(150)	(7 909)	–	(75 897)
Investment income	2 040	151	20 134	9 527	(9 082)	22 770
Finance cost	(37 508)	(1)	(16 268)	(100)	9 082	(44 795)
Share of loss of associate	–	–	(4 473)	–	–	(4 473)
Income tax	32 341	(4 020)	(1 042)	(666)	–	26 613
Profit/(loss) for the year	(88 169)	10 334	(1 799)	3 881	–	(75 753)
Segment assets	510 088	73 876	169 797	113 098	(86 331)	780 528
Segment liabilities	(450 083)	(8 688)	(146 698)	(13 902)	88 999	(530 372)
Capital expenditure	17 102	392	–	–	–	17 494

PRIOR PERIOD RESTATEMENT

During the financial year under review material errors were identified relating to the application of IFRS16 in the prior year. IFRS 16 was adopted for the first time in the prior year and therefore the restatements of the errors are limited to the comparative period. The impact of the restatements is detailed below.

In an effort to improve the quality and transparency of the group's financial reporting, management has considered it necessary to reclassify certain items in the statement of financial position, statements of comprehensive income and statement of cash flows. The reclassification of these items resulted in a restatement of the prior year disclosure as detailed below.

1. Restatement – Recognition of right-of-use asset and lease liability

Management enhanced its system of internal controls surrounding the accuracy of the recording of IFRS 16 lease liabilities during the year under review. During the implementation of the controls certain material errors in the calculation and timing were discovered pertaining to the previous financial year and which accordingly required a restatement of the prior year. The impact of this adjustment on the prior year is that the right-of-use asset decreased by R5 743 957 with a corresponding decrease in the lease liability.

2. Restatement – Recognition of right-of-use asset and provision for occupancy commitments

During the current year, a material error was identified that the right-of-use asset did not include an estimate of reinstatement cost where the lease specifically provided for this. The effect of this correction is that the right-of-use asset increased by R3 756 835 with a corresponding increase in long- and short-term provisions of R3 253 977 and R502 858 respectively, reflecting the initial recording of the reinstatement obligation. The related depreciation and impairment charges amounted to R1 534 368 and together with the related taxation impact, were also adjusted in the prior year.

3. Restatement – Interest income not considered revenue

Finance income was historically disclosed as revenue, this was, however, a misapplication error of IAS 1 and IFRS 15. The prior year disclosure was restated to exclude finance income from revenue as this does not form part of the main operations of the group nor does it result from contracts with customers in terms of IFRS 15. The impact of the correction is that revenue as disclosed by the group decreased by R22 770 191 in the prior year.

4. Restatement – Tenant recoveries considered revenue

Tenant recoveries was historically offset against other operating costs and not disclosed as revenue. This was a misapplication error of IFRS 15 as the group acts as principal on its own account and recovers operating costs from tenants in terms of the lease agreement. The group acts as a principal on its own account when delivering services to tenants over a period of time. The impact of the correction is that revenue as disclosed by the group increased by R4 147 772 in the prior year, with a corresponding decrease in other operating costs.

5. Reclassification – Realised and unrealised foreign exchange gains and losses not considered cost of sales

Foreign exchange gains and losses were historically included as a component of cost of sales. On further consideration management is now of the view that foreign exchange gains and losses were erroneously included in cost of inventory and therefore cost of sales. In terms of IAS 2 the amounts have accordingly been reclassified to other operating cost. The impact of the adjustment is that cost of sales decreased by R2 992 014 and other operating cost increased by the same amount in the prior year.

6. Reclassification – Separate disclosure of loans advanced and repaid

Loans advanced and the subsequent repayment were netted off in the cash flows from investing activities, this, however, was an error in terms of IAS 7. The prior year disclosure was restated to separately disclose the loans advanced and the loans repaid. The impact of the correction is that the loans advanced as disclosed by the group decreased by R937 181 with the corresponding increase in loans repaid.

7. Reclassification – Dividend income to other revenue

Dividend income was historically treated as revenue and disclosed as investment income. The prior period was reclassified to include the dividend income as part of other revenue. The effect is that the dividend income line is removed and the other revenue line is increased by R28 633 for the group.

		GROUP		
	Notes	Previously reported 30 June 2020 R'000	Effect of correction R'000	Restated 30 June 2020 R'000
Effect on Statement of financial position				
Non-current assets				
Right-of-use asset	1, 2	235 488	(3 521)	231 967
Deferred tax	2	35 596	429	36 025
Capital and reserves				
Retained earnings	2	114 232	(602)	113 630
Non-controlling interest	2	121 207	(502)	120 705
Non-current liabilities				
Lease liabilities	1	291 124	(5 743)	285 381
Provisions	2	–	3 254	3 254
Current liabilities				
Provisions	2	1 252	501	1 753
Effect on Statement of comprehensive income				
CONTINUING OPERATIONS				
Revenue	3, 4	611 102	(18 622)	592 480
Cost of sales	5	(294 720)	2 992	(291 728)
Gross profit		271 045	2 992	274 037
Other revenue	4, 7	22 538	4 177	26 715
Other operating costs	2, 3, 4	(367 946)	(8 674)	(376 620)
Operating loss		(74 363)	(1 505)	(75 868)
Dividend income	7	29	(29)	–
Loss before tax		(100 832)	(1 534)	(102 366)
Income tax	2	26 183	430	26 613
Loss for the year from continuing operations		(74 649)	(1 104)	(75 753)
Effect on loss per share (continuing and discontinued operations)				
Basic loss per ordinary share (cents)		(373.7)	(5.2)	(378.9)
Headline loss per ordinary share (cents)		(105.2)	(3.9)	(109.1)
Diluted loss per ordinary share (cents)		(372.3)	(5.2)	(377.5)
Diluted headline loss per ordinary share (cents)		(104.8)	(3.9)	(108.7)
Effect on Statement of changes in equity				
Effect on retained earnings				
Total loss for the year	2	(42 757)	(602)	(43 359)
Balance of retained earnings at end of the year	2	114 232	(602)	113 630
Effect on Non-controlling interest				
Total loss for the year	2	(34 513)	(502)	(35 015)
Balance of retained earnings at end of the year	2	121 207	(502)	120 705
Effect on Statement of cash flows				
Loans advanced	6	908	(937)	(29)
Loans repaid	6	–	937	937

SHAREHOLDERS' INFORMATION

Unaudited Shareholders' Information	45
Share Performance	46
Notice of Annual General Meeting	47
Annexure A	52
Shareholder Calendar	53
Corporate Information	54
Form of Proxy	55
Electronic Participation Application Form	57

UNAUDITED SHAREHOLDERS' INFORMATION

Analysis of shareholders as at 30 June 2021

	ORDINARY		"N" ORDINARY		PREFERENCE	
	Number of shareholders	%	Number of shareholders	%	Number of shareholders	%
Public shareholders	56	93.3	116	93.6	36	94.8
Companies and close corporations	9	15.0	13	10.5	1	2.6
Individuals	42	70.0	91	73.4	29	76.4
Insurance companies, nominees and trusts	5	8.3	10	8.1	5	13.2
Mutual funds and pension funds	–	–	2	1.6	1	2.6
Non-public shareholders	4	6.7	8	6.4	2	5.2
Geomer Investments Proprietary Limited*	1	1.7	1	0.8	–	–
Directors and employees***	–	–	2	1.6	–	–
Ceejay Trust**	2	3.3	2	1.6	1	2.6
Gingko Investments 2 Proprietary Limited**	1	1.7	2	1.6	1	2.6
The African and Overseas Share Trust	–	–	1	0.8	–	–
	60	100.0	124	100.0	38	100.0

	Number of shares		Number of shares		Number of shares	
	Number of shares	%	Number of shares	%	Number of shares	%
Public shareholders	100 014	8.0	1 024 040	10.0	108 594	39.4
Companies and close corporations	13 411	1.1	457 891	4.5	11 000	4.0
Individuals	68 727	5.5	301 510	2.9	70 467	25.6
Insurance companies, nominees and trusts	17 876	1.4	252 922	2.5	20 202	7.3
Mutual funds and pension funds	–	–	11 717	0.1	6 925	2.5
Non-public shareholders	1 149 986	92.0	9 197 299	90.0	166 406	60.6
Geomer Investments Proprietary Limited*	903 825	72.3	3 415 205	33.4	–	–
Directors and employees***	–	–	105 592	1.0	–	–
Ceejay Trust**	169 237	13.5	4 514 511	44.2	120 400	43.9
Gingko Investments 2 Proprietary Limited**	76 924	6.2	1 140 867	11.2	46 006	16.7
The African and Overseas Share Trust	–	–	21 124	0.2	–	–
	1 250 000	100.0	10 221 339	100.0	275 000	100.0

Shareholders holding in excess of 5% of share capital	Number of shares		Number of shares		Number of shares	
	Number of shares	%	Number of shares	%	Number of shares	%
Geomer Investments Proprietary Limited*	903 825	72.3	3 415 205	33.4	–	–
Ceejay Trust**	169 237	13.5	4 514 511	44.2	120 400	43.8
Gingko Investments 2 Proprietary Limited**	76 924	6.2	1 140 867	11.2	46 006	16.7
	1 149 986	92.0	9 070 583	88.8	166 406	60.5

* An associate of MA Golding.

** An associate of HB Roberts.

*** Held by WD Nel and CL Lloyd.

SHARE PERFORMANCE

		2021	2020	2019	2018	2017
Earnings per share	(cents)	94.5	(378.9)	176.7	50.1	1.3
Headline earnings per share	(cents)	116.0	(109.1)	44.1	50.2	3.3
Proposed dividend per ordinary share	(cents)	–	–	–	–	–
Dividend declared per ordinary share	(cents)	–	–	–	–	17.0
Shares repurchased	(R'000)	486	–	–	–	–
Shares repurchased	(000's)	42	–	–	–	–
Total number of shares in issue	(000's)	11 472	11 472	11 451	11 387	11 387
Total number of shares in issue (net of treasury shares)	(000's)	11 451	11 472	11 451	11 387	11 387
Weighted average number of shares in issue (net of treasury shares)	(000's)	11 468	11 451	11 388	11 387	11 387
Weighted average shareholder return	(%)	(53.8)	(9.7)	44.1	67.2	6.5
Net asset value per share	(cents)	1 201	1 104	1 443	1 281	1 231
Ratio closing price/net asset value						
- Ordinary shares		1.4	2.4	1.9	1.4	1.3
- "N" ordinary shares		0.9	2.3	1.9	1.5	0.9
Ordinary shares						
Market price per share						
- at year-end	(cents)	1 696	2 700	2 720	1 826	1 600
- high	(cents)	2 700	2 720	2 721	1 826	1 600
- low	(cents)	1 665	2 700	1 826	1 600	1 500
Shares traded						
- value	(R'000)	388	5	5	58 169	32
- volume	(000's)	21	–	–	726	2
Shares in issue	(000's)	1 250	1 250	1 250	1 250	1 250
Percentage traded	(%)	1.7	–	–	58.1	0.2
Closing price/headline earnings/(loss)	(ratio)	11.6	(25.7)	61.7	36.4	480.7
Closing dividend yield – proposed dividend	(%)	–	–	–	–	–
"N" ordinary shares						
Market price per share						
- at year-end	(cents)	1 099	2 500	2 800	1 950	1 104
- high	(cents)	2 500	2 800	3 000	2 400	–
- low	(cents)	1 026	1 386	1 950	1 006	–
Shares traded						
- value	(R'000)	1 718	38	800	6 935	–
- volume	(000's)	147	2	32	613	–
Shares in issue	(000's)	10 222	10 222	10 201	10 137	10 137
Percentage traded	(%)	1.4	0.0	0.3	6.0	–
Closing price/headline earnings/(loss)	(ratio)	7.5	(23.8)	63.5	38.8	331.7
Closing dividend yield – proposed dividend	(%)	–	–	–	–	–
Market capitalisation						
- Ordinary shares	(R'm)	21.2	33.8	34.0	22.8	20.0
- "N" ordinary shares	(R'm)	112.3	255.5	285.6	197.7	111.9
- Total	(R'm)	133.5	289.3	319.6	220.5	131.9

NOTICE OF ANNUAL GENERAL MEETING

AFRICAN AND OVERSEAS ENTERPRISES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1947/027461/06)

JSE share codes: AOO – AON – AOVP

ISIN: ZAE000000485 – ZAE000009718 – ZA000000493

("AOE" or the "company")

Notice is hereby given that the seventy-fourth annual general meeting of shareholders of AOE (the "annual general meeting") will be held entirely via a remote interactive platform Microsoft Teams on Thursday, 2 December 2021 at 11:00 for the purpose of considering and adopting the annual financial statements, directors' report, auditor's report and the audit committee report contained in the integrated annual report; dealing with such business as may be transacted at an annual general meeting and specifically to consider, and if deemed fit, to pass with or without modification, the following ordinary and special resolutions. The record date for determining which shareholders are entitled (i) to receive notice of the annual general meeting is Friday, 22 October 2021 and (ii) to participate in and vote at the annual general meeting is Friday, 26 November 2021 in terms of section 62(3)(a) as read with section 59 of the Companies Act No. 71 of 2008 (the "Companies Act").

Ordinary resolution number 1 – Approval of annual financial statements

"Resolved to consider and adopt the annual financial statements of the company for the year ended 30 June 2021, together with the reports of the directors, audit committee and the auditors contained therein and made available for inspection by shareholders with effect from 30 September 2021 at the registered office of the company during business hours and at the following web address – www.rextrueform.com."

Ordinary resolution number 2 – Re-election of directors

"Resolved to re-elect individually as directors of the company the following directors, who retire in terms of the company's Memorandum of Incorporation but who are eligible and offer themselves for re-election:

- 2.1 HB Roberts;
- 2.2 LK Sebatane; and
- 2.3 MR Molosiwa."

The nomination committee of the company has considered and is satisfied with the past performance of, and contribution made to the company by, MR Molosiwa, LK Sebatane and HB Roberts, is furthermore satisfied with their continued independence and has recommended that these directors be re-elected as directors of the company.

Abbreviated curricula vitae in respect of the above directors are provided in section 1 of Annexure A to this notice.

Ordinary resolution number 3 – Election of audit committee members

"Resolved, in accordance with section 94(2) of the Companies Act and on the recommendation of the board, to elect individually the following directors of the company, as members of the audit committee:

- 3.1 HB Roberts, subject to the passing of resolution 2.1 above;
- 3.2 PM Naylor; and
- 3.3 LK Sebatane subject to the passing of resolution 2.2 above."

Abbreviated curricula vitae in respect of the above directors are provided in section 3 of Annexure A to this notice.

Ordinary resolution number 4 – Re-appointment of auditors

"Resolved to re-appoint PwC, together with R Jacobs as the designated registered auditor, as the auditors of the company for the 2022 financial year."

The audit committee has evaluated the suitability, performance and independence of PwC Inc. and Mr. R Jacobs for re-appointment as auditors under section 90 of the Companies Act and pursuant to the provisions of paragraph 3.84(g)(iii) of the JSE Listings Requirements.

Ordinary resolution number 5 – General authority to issue equity shares for cash

A general authority, to allot and issue up to 187 500 (one hundred and eighty seven thousand five hundred) ordinary shares (excluding treasury shares), being 15% (fifteen percent) of the issued ordinary shares of the company as at the date of this notice and/or up to 1 530 120 (one million five hundred and thirty thousand one hundred and twenty) "N" ordinary shares (excluding treasury shares), being 15% (fifteen percent) of the issued "N" ordinary shares of the company as at the date of this notice, for cash as they in their discretion deem fit, subject to compliance with the requirements, if any, of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements and the following limitations, namely that:

- the general authority shall only be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of the passing of this ordinary resolution, whichever period is shorter;
- the shares, which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- any issue will only be made to "public shareholders", as defined by the JSE Listings Requirements and not to related parties;
- the total aggregate number of ordinary shares which may be issued for cash in terms of this authority may not exceed 187 500 (one hundred and eighty seven thousand

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

five hundred) ordinary shares (excluding treasury shares), being 15% (fifteen percent) of the issued ordinary shares of the company, and the total aggregate number of "N" ordinary shares which may be issued for cash in terms of this authority may not exceed 1 530 120 (one million five hundred and thirty thousand one hundred and twenty) "N" ordinary shares (excluding treasury shares), being 15% (fifteen percent) of the issued "N" ordinary shares of the company, as at the date of notice of this annual general meeting. Accordingly, any ordinary or "N" ordinary shares issued under this authority prior to this authority lapsing shall be deducted from aforementioned aggregate number of ordinary or "N" ordinary shares (as the case may be) that the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of ordinary or "N" ordinary shares that may be issued in terms of this authority, adjusted for any dividend where the "ex" date of the dividend occurs during the relevant period;

- in the event of a subdivision or consolidation of ordinary or "N" ordinary shares (as the case may be) prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio(s);
- in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of such shares
- measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the company and the party(ies) subscribing for the particular shares;
- an announcement giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the price of the issue was agreed, in writing, between the company and the party(ies) subscribing for the shares and an explanation including supporting documentation (if any) of the intended use of the funds will be published after any issue representing, on a cumulative basis within the period for which the above general authorisation is valid (as contemplated above), 5% (five percent) of the number of ordinary or "N" ordinary shares (as the case may be) in issue prior to that issue."

Ordinary resolution number 6 – Control over unissued shares

"Resolved that subject to the provisions, if any, of the Companies Act, the JSE Listings Requirements and the Memorandum of Incorporation, all of the authorised but unissued ordinary and "N" ordinary shares of the company be and are hereby placed under the control of the board until the next annual general meeting, and that the board is authorised to allot, issue all or part thereof in their discretion."

Ordinary resolution number 7 – Signature of documents

"Resolved that any director of the company, or the company secretary of the company, be and is hereby authorised to do all such things and sign all such documents and take all such actions as they consider necessary to implement the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution will be considered."

Ordinary resolution number 8 – Non-binding advisory vote on remuneration policy

"Resolved that shareholders endorse, by way of a non-binding advisory vote, the company's remuneration policy as detailed in the remuneration report set out in the company's integrated annual report."

Ordinary resolution number 9 – Non-binding advisory vote on remuneration implementation report

"Resolved that shareholders endorse, by way of a non-binding advisory vote, the company's remuneration implementation report as detailed in the remuneration report set out in the company's integrated annual report."

In order for the above ordinary resolutions numbers 1 to 4, 6 and 7 to be adopted the support of more than 50% (fifty percent) of the total number of votes exercised by shareholders, present in person or by proxy, is required. In terms of the JSE Listings Requirements, in order for ordinary resolution number 5 to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes exercised by shareholders, present in person or by proxy, is required to pass such resolution. With regard to ordinary resolutions numbers 8 and 9, in terms of King IV, advisory votes should be obtained from shareholders on the company's remuneration policy and remuneration implementation report. These votes allow shareholders to express their views on the remuneration policy and remuneration implementation report. In the event that either the remuneration policy or the remuneration implementation report, or both, has/have been voted against by 25% (twenty-five percent) or more of the voting rights exercised, then the company, in good faith and with best reasonable effort, will engage with dissenting shareholders to ascertain the reasons for the dissenting votes in an endeavour to appropriately address legitimate and reasonable concerns raised.

Special resolution number 1 – Financial assistance

"Resolved, to the extent required by the Companies Act, that the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, authorise the company to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, including by way of loans, guarantees, the provision of security or otherwise, to any director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related company or corporation, or to a person related to any such company, corporation, director, prescribed officer or member, for any purpose or in connection with any matter, such authority to endure for a period of not more than two years."

Reasons for and effect of special resolution number 1

This authority is necessary to enable the company to provide financial assistance, in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. It is confirmed that the board of directors of the company may not authorise the provision of any financial assistance pursuant to this special resolution unless they are satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. The reason for, and effect of, special resolution number 1 is accordingly to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities and persons referred to in special resolution number 1 above.

Special resolution number 2 – General authority to acquire shares

"Resolved to authorise the company and/or any subsidiary of the company by way of a general authority in accordance with the provisions of section 48(8)(a) of the Companies Act to acquire issued ordinary and/or "N" ordinary shares of the company ("the securities") upon such terms and conditions and in such numbers as the directors of the company may from time to time determine, but subject to the Memorandum of Incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements"), where applicable, and provided that:

- (a) the repurchase of securities will be effected through the main order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- (b) this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- (c) in determining the price at which the securities are acquired by the company in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% (ten percent) of the weighted average of the market price at which such securities are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the acquisition of such securities by the company;
- (d) the acquisitions of securities in any one financial year does not exceed 20% (twenty percent), or 10% (ten percent) where the acquisitions are effected by a subsidiary, in the aggregate of the company's combined issued share capital in the securities from the date of the grant of this general authority;
- (e) the directors, after considering the effect of the maximum repurchase, are of the opinion that:

- (i) the company and the group will be in a position to repay their debt in the ordinary course of business for a period of 12 (twelve) months from the company first acquiring securities under this general approval;
 - (ii) the consolidated assets of the company, being fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company at the time of the company first acquiring securities under this general approval;
 - (iii) the ordinary capital and reserves of the company and the group will be adequate for a period of 12 (twelve) months from the company first acquiring securities under this general approval; and
 - (iv) the available working capital will be adequate to continue the operations of the company and the group for a period of 12 (twelve) months from the company first acquiring securities under this general approval;
- (f) the company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is a repurchase programme in place, the dates and quantities of securities to be repurchased during the prohibited period are fixed, and details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period;
 - (g) where the company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, an announcement will be made containing full details of the acquisition, and announcements shall likewise be made for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter; and
 - (h) the company only appoints one agent to effect any repurchase(s) on its behalf."

Disclosures required in terms of paragraph 11.26 of the JSE Listings Requirements

- (a) The JSE Listings Requirements require the following disclosures, some of which are disclosed in the integrated annual report of which this notice forms part, as set out below:
 - major shareholders of the company – see page 45; and
 - share capital of the company – see pages 45 to 46.
- (b) There have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and the date of this notice.
- (c) The directors of the company whose names appear on page 16 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2 and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all such information required by the Companies Act and the JSE Listings Requirements.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to authorise the company and/or its subsidiaries by way of a general authority to acquire its own issued shares on such terms, conditions and for such amounts as may be determined from time to time by the directors of the company, subject to the limitations set out in special resolution number 2.

The directors of the company have no specific intention to effect the provisions of special resolution number 2 but will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 2.

Special resolution number 3 – Allotment and issue of shares to directors and prescribed officers

"Resolved that, to the extent required by section 41 of the Companies Act and subject to the passing of ordinary resolution number 6 above, the board may, subject to compliance with the requirements of the Memorandum of Incorporation and the Companies Act, authorise the company to allot and issue "N" ordinary shares to directors, future directors, prescribed officers (if any) and future prescribed officers of the company pursuant to the African and Overseas Enterprises Limited Incentive Scheme."

Reasons and effect for special resolution number 3

The company would like to be able to allot and issue "N" ordinary shares to directors and prescribed officers (if any) pursuant to the African and Overseas Enterprises Limited Scheme.

In order for the above special resolutions to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes exercised by shareholders, present in person or by proxy, is required.

Quorum

The quorum for:

- the annual general meeting to begin is sufficient persons present at the annual general meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
- a matter to begin to be considered at the annual general meeting is sufficient persons present at the annual general meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda.

In addition, the annual general meeting may not begin, nor a matter begin to be considered, unless at least 3 (three) shareholders are present or represented at the annual general meeting.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196), for the purposes of being entitled to attend, participate in and vote at the annual general meeting, is Friday, 26 November 2021.

Voting and proxies

All shareholders are encouraged to attend, speak and vote at the annual general meeting.

In terms of section 62(3)(e) of the Companies Act please note that:

- a shareholder who is entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or two or more proxies;
- to attend, participate in and vote at the annual general meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein; and
- a proxy need not be a shareholder of the company.

Voting will be via a poll; every shareholder of the Company shall have one vote for every share held in the Company by such shareholder. On a poll, every shareholder of the company present in person or represented by proxy shall have 200 (two hundred) votes for every ordinary share and 1 (one) vote for every "N" ordinary share held in the company by such shareholder.

The electronic platform (Microsoft Teams) to be utilised to host the Annual General Meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the Annual General Meeting, by completing the Form of Proxy (found at page 56) and lodging this form with the Company's Transfer Secretaries by no later than 10:00 on Wednesday, 1 December 2021 by:

- delivery to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank; or
- email to proxy@computershare.co.za.

Any forms of proxy not submitted by this time can still be lodged by email to proxy@computershare.co.za prior to the commencement of the meeting.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the Annual General Meeting.

Shareholders who indicate in the Electronic Participation Application Form that they wish to vote during the electronic meeting, will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

A form of proxy is attached for the convenience of certificated and "own-name" dematerialised shareholders holding shares in the company who cannot attend the annual general meeting but who wish to be represented thereat. Forms of proxy may also be obtained on request from the

company's registered office. For administrative purposes the completed forms of proxy together with a completed Electronic Application Form may be deposited, posted, faxed or e-mailed to the transfer secretaries at the address below, to be received 24 (twenty-four) hours before the meeting, excluding Saturdays, Sundays and public holidays.

The directors of the company confirm, in accordance with section 58 of the Companies Act, that a proxy of a shareholder is entitled to participate in and speak and vote at the meeting provided that a copy of the instrument appointing the proxy is delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of a shareholder at a shareholders' meeting.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than "own-name" registered dematerialised shareholders, who wish to attend the annual general meeting, must request that their CSDP or broker issue them with a letter of representation. Should shareholders who have dematerialised their shares wish to vote by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP or broker. The letter of representation will need to be submitted together with the completed Electronic Participation Application Form to the Company's Transfer Secretaries and to the Company in the manner and within the timeframe described above under the section titled "Electronic Participation".

Electronic participation

The Company's Memorandum of Incorporation authorises the conduct of shareholders' meetings entirely by electronic communication as does section 63(2)(a) of the Companies Act. In light of the measures put in place by the South African Government in response to the COVID-19 pandemic, the board has decided that the Annual General Meeting will only be accessible through a remote interactive electronic platform as detailed below.

Shareholders or their duly appointed proxies who wish to participate in the Annual General Meeting are required to complete the Electronic Participation Application Form available immediately after the proxy form on page 51 and email same to the Company's Transfer Secretaries at proxy@computershare.co.za and to the company secretary at legal@rextrueform.com, or by fax to be faxed to +27 21 460 9575, as soon as possible, but in any event by no later than 10:00 on Wednesday, 1 December 2021, for attention of the company secretary, relevant contact details including e-mail address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares.

Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the Annual General Meeting.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the Annual General Meeting. The Company's Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a Microsoft Teams meeting invitation required to access the Annual General Meeting.

Fully verified shareholders or their duly appointed proxies who have applied to participate electronically in the Annual General Meeting are requested by no later than 09:55 on Thursday, 2 December 2021 to join the lobby of the meeting by clicking on the "Join Microsoft Teams Meeting" link to be provided by the company secretary or by the secretarial office, whose admission to the meeting will be controlled by the company secretary/secretarial office.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Any such charges will not be for the account of the Company's Transfer Secretaries or the Company who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder or their proxy from participating in and/or voting at the Annual General Meeting.

Shareholders who wish to participate in the annual general meeting by way of telephone conference call must note that they will not be able to vote during the annual general meeting. Such shareholders, should they wish to have their vote counted at the annual general meeting, must, to the extent applicable, (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances, as set out above.

By order of the board



A Mushabe
Company Secretary
30 October 2021

Registered office:
Rex Trueform Office Park
263 Victoria Road
Salt River, Cape Town, 7925
PO Box 1856, Cape Town, 8000
Fax: 021 460 9575
Phone: 021 460 9551
Email: legal@rextrueform.com

Transfer secretaries: Computershare Investor
Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue Rosebank, 2196
Private Bag X9000, Saxonwold, 2132
Fax: 011 688 5248
E-mail: proxy@computershare.co.za

ANNEXURE

A

1. ABRIDGED CURRICULA VITAE OF DIRECTORS STANDING FOR RE-ELECTION

1.1. HB Roberts (60) BCom, BSc, FIA, ASA,

Hugh Roberts is an actuary with wide experience in life assurance and short-term insurance, property development and asset management. Hugh is an experienced company director and has held various executive and non executive directorships. He is an active investor in property, listed and private equity. Hugh is the chairman of the company's risk committee and is a member of its audit committee. He also serves as an independent non-executive director on the board of the company's subsidiary, Rex Trueform Group Limited.

1.2. LK Sebatane (41) BCom (Law), LLB

Luntu Sebatane is an admitted attorney with ten years' post articles experience. In addition to having held positions as an in-house counsel at the Omnia Group and the De Beers Group, and as a director at Cliffe Dekker Hofmeyr Attorneys, Luntu currently plays an integral role in the development of the strategy of the black woman-owned property development company, Phahamo, and meaningfully participates in the woman-owned investment company, Ikhewezi. Luntu presently holds a position as an in-house counsel for the Anglo American Group and is a director of Phahamo Property Group, Ikhewezi Investments Proprietary Limited and Claremart Auctioneers Proprietary Limited. Luntu is a member of the company's audit, remuneration and nomination committees. She also serves as an independent non-executive director on the board of the company's subsidiary Rex Trueform Group Limited.

1.3. MR Molosiwa (49) Bachelor of Architectural Studies

Masedi Molosiwa is the founder and executive director of Iteru Residential (Pty) Ltd and founded Mr Concierge (Pty) Ltd (a lifestyle management services company). He has experience in the ICT, media, advertising, postal and real estate sectors, having previously served as the marketing executive of Mortgage Capital (a subsidiary of Transaction Capital Limited), as the chief executive officer of the Association of Black Securities and Investment Professionals (ABSIP), as the group executive: marketing and communication at the South African Post Office and as the executive director of the Cape IT Initiative. Masedi is the chairman of the company's remuneration committee and is a member of its nomination committee. He also serves as the independent non-executive chairman of the board of the company's subsidiary Rex Trueform Group Limited.

2. ABRIDGED CURRICULA VITAE OF DIRECTORS STANDING FOR ELECTION AS MEMBERS OF THE AUDIT COMMITTEE

2.1. PM Naylor (76) BSc (Eng)

Patrick Naylor has served as an independent non-executive director of the company since 2003, and is the lead independent director. He is an experienced company director and trustee, having served on the boards of numerous companies and trusts outside of this group. He is a practising partner in a firm of consulting civil engineers. Patrick is the chairman of the company's audit and social and ethics committees and is a member of its nomination and risk committees. He also serves as an independent non-executive director on the board of the company's subsidiary Rex Trueform Group Limited.

2.2. HB Roberts (60) BCom, BSc, FIA, FASSA

Please note the abridged curriculum vitae contained in section 1.1 above in this regard.

2.3. LK Sebatane (41) BCom (Law), LLB

Please note the abridged curriculum vitae contained in section 1.2. above in this regard.

SHAREHOLDER CALENDAR

Reporting

Financial year-end	30 June
Integrated annual report 2021	2 November 2021
Annual general meeting	2 December 2021
Interim results (December 2021)	March 2022
Final results (June 2022)	September 2022
Integrated annual report 2022	October 2022
Annual general meeting	November 2022

Dividends

6% cumulative preference shares

Declared	Half year ended December 2021 – December 2021
	Half year to June 2022 – June 2022

Payable	Half year ended December 2021 – January 2022
	Half year to June 2022 – July 2022

CORPORATE INFORMATION

African and Overseas Enterprises Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1947/027461/06)

JSE share codes: AOO – AON – AOVP

ISIN: ZAE000000485 – ZAE000009718 – ZAE000000493
(“AOE” or “the group” or “the company”)

**Listed on the JSE Limited under the sector Consumer
Services – Retail – General Retailers – Apparel Retailers**

Registered office

Rex Trueform Office Park
263 Victoria Road
Salt River, Cape Town, 7925
(PO Box 1856, Cape Town, 8000)
Tel: 021 460 9400
Fax: 021 460 9575
Email: legal@restrueform.com

Company secretary

AR Mushabe
263 Victoria Road
Salt River, Cape Town, 7925
(PO Box 1856, Cape Town, 8000)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)
Tel: 011 370 5000
Fax: 011 688 5248

Sponsors

Java Capital
6th Floor, 1 Park Lane, Wierda Valley
Sandton, Johannesburg, 2196
(PO Box 522606, Saxonwold, 2132)

Auditors

PricewaterhouseCoopers Inc.
5 Silo Square, V&A Waterfront
Cape Town 8002
(PO Box 2799, Cape Town, 8001)

Principal banker

The Standard Bank of South Africa Limited

Website addresses

<http://www.restrueform.com>

<http://www.queenspark.com>



FORM OF PROXY

AFRICAN AND OVERSEAS ENTERPRISES LIMITED

(Incorporated in the Republic of South Africa) (Registration number: 1947/027461/06)

JSE share codes: AOO – AON – AOVV

ISIN: ZAE000000485 – ZAE000009718 – ZA000000493

("AOE" or the "company")

For use only by ordinary and "N" ordinary certificated shareholders or dematerialised shareholders with "own-name" registration, at the seventy-third annual general meeting of the company to be held electronically via a remote interactive platform Microsoft Teams on Thursday, 2 December 2021 commencing at 11:00.

I/We _____ (name/s in block letters) of

_____ (address) being a shareholder/shareholders of AOE

and holding _____ ordinary shares in the company, and/or

"N" ordinary shares in the company, do hereby appoint:

1. _____ of _____ or failing him/her

2. _____ of _____ or failing him/her

3. the chairman of the company or, failing him or her, the chairman of the annual general meeting, as my/our proxy to participate in, speak for me/us and on my/our behalf and to vote, at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the AOE ordinary shares and/or "N" ordinary shares registered in my/our name(s), in accordance with the following instructions:

	ORDINARY SHARES*			"N" ORDINARY SHARES*		
	For	Against	Abstain	For	Against	Abstain
Ordinary resolution 1 – Approval of annual financial statements						
Ordinary resolution 2 – Re-election of directors						
Ordinary resolution 2.1 – Re-election of HB Roberts						
Ordinary resolution 2.2 – Re-election of LK Sebatane						
Ordinary resolution 2.3 – Re-election of MR Molosiwa						
Ordinary resolution 3 – Election of audit committee members						
Ordinary resolution 3.1 – Election of HB Roberts						
Ordinary resolution 3.2 – Election of PM Naylor						
Ordinary resolution 3.3 – Election of LK Sebatane						
Ordinary resolution 4 – Re-appointment of auditors						
Ordinary resolution 5 – General authority to issue equity shares for cash						
Ordinary resolution 6 – Control over unissued shares						
Ordinary resolution 7 – Signature of documents						
Ordinary resolution 8 – Non-binding advisory vote on remuneration policy						
Ordinary resolution 9 – Non-binding advisory vote on remuneration implementation report						
Special resolution 1 – Financial assistance						
Special resolution 2 – General authority to acquire shares						
Special resolution 3 – Allotment and issue of shares to directors and prescribed officers						

* Please indicate with an "X", or the number of shares applicable, in the appropriate spaces above how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she sees fit.

Signed at (place) _____ on (date) _____ 2021

Shareholder's signature _____

Please read the notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. This form of proxy must only be used by certificated ordinary and "N" ordinary shareholders or dematerialised ordinary and "N" ordinary shareholders who hold dematerialised ordinary or "N" ordinary shares with "own-name" registration.
2. Dematerialised shareholders holding ordinary or "N" ordinary shares other than with "own-name" registration must:
 - 2.1. inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request that their CSDP or broker them with the necessary of representation to attend the annual general meeting in person and vote; or
 - 2.2 provide their CSDP or broker with their voting instructions, should they not wish to attend the annual general meeting in person, but wish to be represented thereat.

These shareholders must not use this form of proxy.

3. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company) to attend, participate and, on a poll, vote in place of that shareholder at the annual general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the company or, failing him or her, the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X" or, alternatively, the number of shares such shareholder wishes to vote, in the appropriate spaces provided overleaf. Failure to comply with the above will be deemed to authorise the chairman of the company or, failing him or her, the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other 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 exercisable thereat.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer office or waived by the chairman of the annual general meeting.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

8. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and participating and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
10. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company.
11. Where there are joint holders of any shares:
 - 11.1 any one holder may sign this form of proxy; and
 - 11.2 the vote(s) of the senior shareholders (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).

Forms of proxy may be lodged with the company's transfer secretaries at the address given below or via email to proxy@computershare.co.za. For administrative purposes, we request that all proxy forms are received 24 (twenty-four) hours before the meeting, excluding Saturdays, Sundays and public holidays. Any forms of proxy not lodged by this time may still be lodged by email to proxy@computershare.co.za prior to the commencement of the meeting

Registered office:

Rex Trueform Office Park
263 Victoria Road
Salt River, Cape Town, 7925
PO Box 1856, Cape Town, 8000
Fax: 021 460 957
Email: legal@rextureform.com
Phone: 021 460 9551

Transfer secretaries:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196
Private Bag X9000, Saxonwold, 2132
Fax: 011 688 5248
E-mail: proxy@computershare.co.za

ELECTRONIC PARTICIPATION APPLICATION FORM

AFRICAN AND OVERSEAS ENTERPRISES LIMITED
(Incorporated in the Republic of South Africa) (Registration number: 1947/027461/06)
JSE share codes: AOO – AON – AOVP
ISIN: ZAE000000485 – ZAE000009718 – ZA000000493
("AOE" or the "company")

ANNUAL GENERAL MEETING ("AGM") – 2 December 2021

Capitalised terms which are not defined herein shall bear the meanings assigned in the Notice of Annual General Meeting (the "AGM Notice") to which this form is attached and forms part.

Instructions

Shareholders or their proxies, have the right, as provided for in the Company's Memorandum of Incorporation and the Companies Act, to participate in the AGM by way of electronic communication. Shareholders or their duly appointed proxies who wish to participate in the AGM must complete this application form and email it (together with the relevant supporting documents referred to below) to the Company's Transfer Secretaries at proxy@computershare.co.za and to the Company at legal@retrueform.com as soon as possible, but in any event by no later than 10:00 on Wednesday, 1 December 2021.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the AGM. The Company's Transfer Secretaries will provide the Company with the email address of each verified shareholder or their duly appointed proxy (each, "**a Participant**") to enable the Company to forward the Participant a Microsoft Teams meeting invitation required to access the AGM.

The Company will send each Participant a Microsoft Teams meeting invitation with a link to "Join the Microsoft Teams Meeting" by no later than Wednesday, 1 December 2021, to enable Participants to link up and participate electronically in the AGM. This link will be sent to the email address nominated by the Participant in the table below.

Please note

The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the Form of Proxy (found at page 56) and lodging the completed proxy form together with this Electronic Participation Application Form with the Company's Transfer Secretaries or with the company.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the Company's Transfer Secretaries or the Company who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Participant from participating in and/or voting at the AGM.

By signing this application form, the Participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the AGM or any interruption in the ability of the Participant to participate in the AGM via electronic communication, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else, including without limitation the Company and its employees.



ELECTRONIC PARTICIPATION APPLICATION FORM (CONTINUED)

Information required for participation by electronic communication at the AGM

Full name of shareholder:

Identity or registration number of shareholder:

Full name of authorised representative (if applicable):

Identity number of authorised representative:

Email address:

* Note: this email address will be used by the Company to share the Microsoft Teams meeting invitation required to access the AGM electronically.

Cell phone number:

Telephone number, including dialling codes:

* Note: The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the proxy form found at page 56.

Indicate (by marking with an "X") whether:

- votes will be submitted by proxy (in which case, please enclose the duly completed proxy form with this form); or
- the Participant wishes to exercise votes during the AGM. If this option is selected, either the Company's Transfer Secretaries or the Company will contact you to make the necessary arrangements.

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in the company's AGM.

Signed at _____ on _____ 2021

Signed:

Documents required to be attached to this application form

1. In order to exercise their voting rights at the AGM, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the AGM, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the AGM, a copy of which proxy form follows Annexure A of the AGM notice.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the AGM, must be attached to this application.
3. A certified copy of the valid identity document/passport/of the person attending the AGM by electronic participation, including any person acting in a representative capacity, must be attached to this application.
4. Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.

ABBREVIATIONS

African and Overseas Enterprises or the company	African and Overseas Enterprises Limited
board	The board of directors of African and Overseas Enterprises
Companies Act	Companies Act, No. 71 of 2008 (as amended)
Geomer Investments	Geomer Investments Proprietary Limited
group	African and Overseas Enterprises and its subsidiaries
JSE	JSE Limited
King IV	King IV Report on Corporate Governance for South Africa, 2016
Ombrecorp Trading	Ombrecorp Trading (RF) Proprietary Limited
PwC	PricewaterhouseCoopers Inc.
Queenspark	Queenspark Proprietary Limited
Queenspark Distribution Centre	Queenspark Distribution Centre Proprietary Limited
Queenspark Namibia	Queenspark (Proprietary) Limited (registered in Namibia)
Rex Trueform	Rex Trueform Group Limited
SAWWH	SA Water Works Holding Company (RF) Proprietary Limited

DEFINITIONS

Group

Acid-test ratio	Total closing current assets less closing inventories divided by total closing current liabilities
Current ratio	Total closing current assets divided by total closing current liabilities
Dividend cover	Headline earnings/(loss) per share divided by total ordinary dividends proposed for the year
EBITDA margin	Earnings before interest expense, tax, depreciation and amortisation divided by retail sales
Effective tax rate	Income tax expense divided by profit before tax
Gross margin	Gross profit/(loss) divided by retail sales
Inventory turn	Total group cost of sales for the year divided by average inventory
Market capitalisation	The closing share price at year-end as per the JSE multiplied by the total number of shares in issue at the end of the year
Net asset value per share	Total capital and reserves less non-controlling interest less preference share capital divided by the number of ordinary and "N" ordinary shares in issue (net of treasury shares) at the end of the reporting period
Operating margin	Operating profit/(loss) divided by retail sales
Return on equity	Profit/(loss) attributable to ordinary and "N" ordinary shareholders divided by average ordinary shareholders' interest
Return on capital	Total group profit/(loss) before interest paid and tax divided by average total net assets
Return on assets	Total group profit/(loss) before interest paid and tax divided by average total assets
Total asset turn	Total group retail sales divided by average total assets
Total liabilities to equity	Total closing liabilities divided by total closing equity
Weighted average number of shares in issue	The number of shares in issue at the beginning of the year increased by shares issued during the year, and decreased by shares repurchased during the year, weighted on a time basis for the period during the year in which they were in issue
Weighted average shareholder return	Weighted average share price at the end of the year minus the weighted average share price at the beginning of the year plus dividends declared, divided by the weighted average share price at the beginning of the year