



LA CONCORDE

Registration number: 2009/012871/06

LA CONCORDE HOLDINGS LIMITED

**NOTICE OF ANNUAL GENERAL MEETING AND
SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS**

for year ended 31 March 2020

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SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at | As at |
|-------------------------------------|-------|----------------------|---------------|
| | | 31 March 2020 | 31 March 2019 |
| | Notes | R'000 | R'000 |
| ASSETS | | | |
| Non-current assets | | 231 633 | 206 146 |
| Property, plant and equipment | | 2 289 | 2 443 |
| Investment properties | 4 | 189 439 | 153 900 |
| Intangible assets | | 115 | 185 |
| Investment in associate | 5 | 10 103 | 19 082 |
| Other financial assets | 6 | 20 222 | 24 014 |
| Deferred tax | 7 | 7 760 | 6 522 |
| Finance lease receivable | 8 | 1 705 | - |
| Current assets | | 50 274 | 64 326 |
| Trade and other receivables | | 1 503 | 11 174 |
| Inventory | | 283 | 119 |
| Loan receivable | | 782 | 782 |
| Taxation | | 697 | 687 |
| Cash and cash equivalents | 9 | 47 009 | 51 564 |
| Total assets | | 281 907 | 270 472 |
| EQUITY AND LIABILITIES | | | |
| Equity | | 206 102 | 227 542 |
| Ordinary share capital | | 1 | 1 |
| Share premium | | 409 804 | 420 711 |
| Other reserves | | 109 539 | 109 539 |
| Retained losses | | (317 598) | (302 709) |
| Non-controlling interest | | 4 356 | - |
| Non-current liabilities | | 59 182 | 28 770 |
| Borrowings | 10 | 33 046 | - |
| Lease liability | 8 | 1 705 | - |
| Deferred taxation | 7 | 24 431 | 28 770 |
| Current liabilities | | 16 623 | 14 160 |
| Trade and other payables | | 13 327 | 14 160 |
| Current portion of borrowings | 10 | 3 296 | - |
| Total equity and liabilities | | 281 907 | 270 472 |

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|-----------------------------|
| | R'000 | R'000 |
| Revenue | 8 461 | 7 693 |
| Property rental income | 13 959 | 10 972 |
| Investment income | 6 129 | 14 883 |
| Other operating expenses and income | (24 461) | (20 261) |
| Impairment of investment in associate | (10 986) | - |
| Fair value adjustments of financial instruments | (4 659) | (24 893) |
| Fair value adjustments of investment properties | (6 964) | (111 640) |
| Investment surplus | 998 | - |
| Depreciation and amortisation | (726) | (746) |
| Share of equity-accounted earnings | 2 326 | 2 377 |
| Finance costs | (1 348) | (1) |
| Loss before taxation | (17 271) | (121 616) |
| Taxation | 2 488 | 31 496 |
| Loss for the year | (14 783) | (90 120) |
| Attributable to: | | |
| Equity holders of the parent | (14 889) | (90 120) |
| Non-controlling interest | 106 | - |
| | (14 783) | (90 120) |
| Losses per share (cents) | | |
| Basic losses | (22.1) | (132.9) |
| Headline losses | (3.5) | (5.1) |
| Shares in issue | | |
| Number of shares issued ('000) | 68 980 | 68 980 |
| Treasury shares ('000) | (1 267) | (979) |
| Shares repurchased ('000) | (945) | (198) |
| Net weighted average number of shares in issue | 66 768 | 67 803 |

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------------------------|---|-----------------------------|
| | R'000 | R'000 |
| Balance at the beginning of the year | 227 542 | 1 161 396 |
| Total comprehensive loss for the year | (14 783) | (90 120) |
| Repurchase of shares | (10 907) | (5 011) |
| Dividends | - | (838 723) |
| Non-controlling interest | 4 250 | - |
| | 206 102 | 227 542 |

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|---|-----------------------------|
| | R'000 | R'000 |
| | 7 453 | (4 876) |
| Cash flows from operating activities | | |
| Net cash from operating activities | 7 453 | (4 876) |
| Cash utilised by operations | 9 (2 667) | (1 838) |
| Changes in working capital | 9 8 438 | (7 144) |
| Cash generated/(utilised) by operating activities | 5 771 | (8 982) |
| Investment income | 6 129 | 15 123 |
| Finance costs | (1 348) | (1) |
| Taxation paid | 9 (3 099) | (11 016) |
| Cash flows from investing activities | (41 693) | (37 402) |
| Dividends from associate | 319 | 426 |
| Additions to investment property | (43 807) | (2 295) |
| Additions to property, plant and equipment | (416) | (234) |
| Proceeds on disposal of property, plant and equipment | 47 | 238 |
| Proceeds on disposal of investments | 2 164 | - |
| Intangible assets acquired | - | (67) |
| Investment in financial assets | - | (35 470) |
| Cash flows from financing activities | 29 685 | (5 011) |
| Ordinary shares repurchased | (10 907) | (5 011) |
| Transactions with non-controlling shareholders | 4 250 | - |
| Borrowings raised | 36 342 | - |
| Cash and cash equivalents | | |
| Movements | (4 555) | (47 289) |
| At the beginning of the year | 51 564 | 98 853 |
| At the end of the year | 47 009 | 51 564 |

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the year ended 31 March 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act, No. 71 of 2008 (as amended). The accounting policies of the group are consistent with those applied for the year ended 31 March 2019. The adoption of new standards that are applicable for this financial year had no impact on the retained earnings. The Company adopted IFRS 16 in the current period, which resulted in it recognising a finance lease asset and lease liability at the beginning and end of the period of R1.7 million. These financial statements were prepared under the supervision of the financial director, Mr AF Pereira CA(SA).

2 AUDITOR'S NOTE

The summarised consolidated financial statements are extracted from audited information but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office or on the La Concorde website, www.laconcordeholdings.co.za or alternatively requested by sending an e-mail to shares@laconcordeholdings.co.za. The directors take full responsibility for the preparation of the summarised consolidated financial statements and that the financial information has been correctly extracted from the underlying annual consolidated financial statements.

3 SEGMENTS

The group is an investment company. No separately identifiable operating segments exist, other than the income received from the property rentals of which the financial effects are disclosed in the summarised consolidated financial statements.

4 INVESTMENT PROPERTIES

| | 2020 | 2019 |
|---|----------------|-----------|
| | R'000 | R'000 |
| Investment properties at fair value | 189 439 | 153 900 |
| | 189 439 | 153 900 |
| Reconciliation of carrying value | | |
| At the beginning of the year | 153 900 | 262 758 |
| Fair value adjustments | (6 964) | (111 640) |
| Transfer from property, plant and equipment | (86) | 487 |
| Additions | 43 807 | 2 295 |
| Disposals | (1 218) | - |
| At the end of the year | 189 439 | 153 900 |

Investment properties are stated at fair value.

The group engages external, independent and qualified valuers to determine the fair value of its investment property as required by the Board. The directors perform valuations annually.

Investment property is in level 3 of the fair value hierarchy.

The investment properties were fairly valued by suitably qualified independent valuers with recent experience in similar properties in similar areas for the year ended 31 March 2019.

The valuers analysed the values of the properties by considering all incomparable characteristics and their potential influence on the sales prices.

The directors evaluated the fair values using similar principles used by the valuers during 2019 to determine the fair values of the investment property for the year ended 31 March 2020. The impact of Covid-19 was accounted for by increasing vacancy rates for periods affected.

The fair value of the investment properties owned by the group, totalling R189.4 million at 31 March 2020, was arrived at on the basis of directors' valuation.

The fair value of the vacant land and Picardi Farm, totalling R24 million, was determined by applying the direct comparable sales method. The fair value of the Laborie Estate (which include accommodation buildings, other buildings, agricultural land and a villa), totalling R59.8 million, was determined by applying the free cash flow, depreciated cost valuation, and direct comparable sales techniques and commercial buildings with a fair value of R105.6 million were valued using the free cash flow method.

Significant unobservable inputs were as follows:

| | |
|--|---------------|
| - Rental growth rate: | 6% |
| - Cost growth rate: | 8.0% |
| - Capitalisation rate (accommodation buildings): | 10% - 10.5% |
| - Capitalisation rate (commercial buildings): | 9.75% - 10.5% |
| - Occupancy rate (accommodation buildings): | 50% - 55% |
| - Occupancy rate (commercial buildings): | 88% - 97% |

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4 INVESTMENT PROPERTIES *(continued)*

| | 2020 R'000 | 2019 R'000 |
|---|-----------------------------|---------------|
| Amounts recognised in profit and loss for the year: | | |
| Rental income from investment property | 22 420 | 18 665 |
| Direct operating expenses from rental-generating property | (23 778) | (20 562) |
| | (1 358) | (1 897) |
| Contractual rent receivable: | | |
| - within one year | 5 074 | 5 995 |
| - within two to five years | 3 031 | 6 207 |
| - after five years | 647 | 195 |
| | 8 752 | 12 397 |
| Investment properties consist of: | | |
| Erf 31403, Main Street House, Paarl, Western Cape, 549 m ² | 4 000 | 4 000 |
| Erf 11919, Cecilia Precinct (Previously De Hoop Farm), Paarl, Western Cape, in extent of 3.3 ha | 55 452 | 13 200 |
| Erf 23407, Worcester, Western Cape, in extent of 6 602 m ² | - | 1 100 |
| Erf 31366, Picardi Farm, Paarl, Western Cape, in extent of 16.4 ha | 9 938 | 9 000 |
| Erf 212, 213, 214, 223 and 224, Klappmuts erven, in extent of 5 502 m ² | 1 100 | 1 100 |
| Erf 8677, Paarl, Western Cape, in extent of 2.4702 ha | 13 022 | 13 000 |
| Erf 8676, Paarl, Western Cape, in extent of 2.5849 ha | 50 127 | 50 000 |
| Erf 13004, Paarl, Western Cape, in extent of 44.3918 ha | 55 800 | 62 500 |
| | 189 439 | 153 900 |

5 INVESTMENT IN ASSOCIATE

| Name of associate | Place of business | Principal activity | 2020 % | 2019 % | 2020 R'000 | 2019 R'000 | |
|---|-------------------|--------------------|-------------------------|-----------|-----------------------------|-----------------|--------|
| Paarl Vallei Bottling Company Proprietary Limited | South Africa | Bottling | 30.9% | 30.9% | 10 103 | 19 082 | |
| | | | | | 10 103 | 19 082 | |
| Reconciliation of investment in associate | | | | | | | |
| At the beginning of the year | | | | | | 19 082 | 17 131 |
| Share of the profits | | | | | | 2 326 | 2 377 |
| Dividend received | | | | | | (319) | (426) |
| Impairment of investment in associate | | | | | | (10 986) | - |
| | | | | | 10 103 | 19 082 | |

The value of the Company's investment in Paarl Vallei Bottling Company Proprietary Limited was reviewed based on forecast volumes and profitability and impaired to a value more reflective of its realisable value. The realisable value of the investment was determined using the price-earnings multiple in relation to the maintainable earnings of Paarl Vallei Bottling Company Proprietary Limited.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6 OTHER FINANCIAL ASSETS

| | 2020 R'000 | 2019 R'000 |
|--|-----------------------------|---------------|
| Financial assets carried at fair value through profit or loss | | |
| Equity securities | 20 222 | 24 014 |
| Non-current portion | 20 222 | 24 014 |

Fair value of equity securities carried at fair value through profit or loss

The fair value of the listed equity instruments was determined using the quoted price available for the instruments.

7 DEFERRED TAXATION

| | 2020 R'000 | 2019 R'000 |
|---|-----------------------------|---------------|
| Movements in deferred taxation | | |
| At the beginning of the year | (22 246) | (53 451) |
| Asset revaluations | 5 649 | 19 833 |
| Accelerated tax allowances | (1 312) | 4 514 |
| Provisions and accruals | (4) | 534 |
| Assessed losses | 392 | 57 |
| Financial asset revaluations | 850 | 6 267 |
| At the end of the year | (16 671) | (22 246) |
| Analysis of deferred taxation | | |
| Accelerated tax allowances | (3 106) | (1 794) |
| Fair value remeasurements | (21 325) | (26 974) |
| Provisions and accruals | 251 | 255 |
| Assessed losses | 392 | - |
| Financial asset revaluations | 7 117 | 6 267 |
| | (16 671) | (22 246) |
| Composition of deferred taxation | | |
| Deferred taxation assets | 7 760 | 6 522 |
| Deferred taxation liabilities | (24 431) | (28 768) |
| | (16 671) | (22 246) |

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8 LEASES

On adoption of IFRS 16 the group recognised right-of-use assets and lease liabilities in relation to leases of property which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate as at 1 April 2019. The group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 10%.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 April 2019:

| | R'000 |
|---|----------------|
| Right-of-use assets | 1 672 |
| Lease liabilities | <u>(1 672)</u> |
| Restatement of retained earnings as at 1 April 2019 | <u>-</u> |

Included in profit or loss for the period is R171 000 of finance costs on lease liabilities. No values were included in operating expenses and income in respect of short-term and low-value leases for the period.

The following table reconciles the minimum lease commitments disclosed in the group's 31 March 2019 annual financial statements to the amount of lease liabilities recognised on 1 April 2019:

| | R'000 |
|--|----------------|
| Minimum operating lease commitment at 31 March 2019 | <u>4 896</u> |
| Undiscounted lease payments | 4 896 |
| Less: effect of discounting using the incremental borrowing rate as at the date of initial application | <u>(3 224)</u> |
| Lease liabilities recognised at 1 April 2019 | <u>1 672</u> |
| Reconciliation of opening to closing carrying value: right-of-use assets | |
| Recognised on adoption of IFRS 16 (1 April 2019) | 1 672 |
| Reclassified to finance lease receivable | <u>(1 672)</u> |
| Carrying value as at 31 March 2020 | <u>-</u> |
| Reconciliation of opening to closing carrying value: lease liabilities | |
| Recognised on adoption of IFRS 16 (1 April 2019) | 1 672 |
| Finance costs | 171 |
| Lease payments | <u>(138)</u> |
| Carrying value as at 31 March 2020 | <u>1 705</u> |

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9 NOTES TO THE CASH FLOW STATEMENT

| | 2020 R'000 | 2019 R'000 |
|---|-----------------------------|---------------|
| Cash generated by operations | | |
| Loss for the year | (14 783) | (90 120) |
| Taxation | (2 488) | (31 496) |
| Depreciation and amortisation | 726 | 746 |
| Profit on disposal of plant and equipment | (47) | (2) |
| Impairment of investment in associate | 10 986 | - |
| Share of equity-accounted earnings | (2 326) | (2 377) |
| Fair value adjustments of investment properties | 6 964 | 111 640 |
| Fair value adjustments of financial instruments | 4 659 | 24 893 |
| Investment income | (6 129) | (15 123) |
| Finance costs | 1 348 | 1 |
| Investment surplus | (951) | - |
| Other non-cash items | (626) | - |
| | (2 667) | (1 838) |
| Changes in working capital | | |
| Inventory | (164) | (4) |
| Trade and other receivables | 9 402 | (5 140) |
| Trade and other payables | (800) | (2 000) |
| | 8 438 | (7 144) |
| Taxation paid | | |
| Unpaid at the beginning of the year | 687 | (13 217) |
| Charged to the statement of profit and loss | (3 089) | 291 |
| Penalties and interest | - | 2 499 |
| Other | - | 98 |
| Unpaid at the end of the year | (697) | (687) |
| | (3 099) | (11 016) |
| Cash and cash equivalents | | |
| Bank balances and deposits | 47 009 | 51 564 |

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10 BORROWINGS

| | 2020 R'000 | 2019 R'000 |
|--------------------------------------|----------------|---------------|
| Bank mortgages | 33 991 | - |
| Loans from non-controlling interests | 2 351 | - |
| | 36 342 | - |
| Current portion of borrowings | (3 296) | - |
| | 33 046 | - |
| Secured | 33 991 | - |
| Unsecured | 2 351 | - |
| | 36 342 | - |

Loans from non-controlling interests, which includes an amount of R2.3 million (2019: RNil) owing to Bell Vue Developments Proprietary Limited, are unsecured, bear no interest and have no fixed terms of repayment.

The bank mortgage facility bears interest at a rate of prime less 1%. The facility is repayable in 60 instalments with a residual of approximately 72% maturing approximately 7 July 2025.

Movements in the carrying value of borrowings are as follows:

| | Long-term borrowings R'000 | Short-term borrowings R'000 | Total R'000 |
|---|----------------------------------|-----------------------------------|----------------|
| Group | | | |
| 2020 | | | |
| Carrying value at the beginning of the year | - | - | - |
| Cash flows | | | |
| Raising of new debt | 32 546 | 3 796 | 36 342 |
| Carrying value at the end of the year | 32 546 | 3 796 | 36 342 |

The following represents the book value of the security for these borrowings:

| | 2020 R'000 | 2019 R'000 |
|---|---------------|---------------|
| Investment properties* | 55 452 | - |
| Maturity of these borrowings are as follows: | | |
| Due within one year | 3 296 | - |
| Due within two to five years | 10 241 | - |
| Due after five years | 22 805 | - |
| | 36 342 | - |
| | % | % |
| Weighted average effective interest rates | 6.75 | - |

* Investment properties, with a carrying value of R55.4 million (2019: RNil), relates to the De Hoop property over which mortgage bonds have been registered in favour of the debt funding providers to La Concorde Group included in borrowings.

All funding is denominated in South African Rands and bear a floating rate. At 31 March 2020 the carrying value of borrowings approximates their fair value as market-related rates have been applied to discount the instruments.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11 EVENTS AFTER REPORTING PERIOD

The directors have concluded a sale agreement in July 2020. In terms of the agreement, ERF 31366, Picardi Farm, ERF 8677, Paarl, Western Cape and ERF 8676, Paarl, Western Cape was sold for R73 million.

During June 2020 the directors concluded an offer to lease with Food Lovers Market ("FLM"). The Company will erect a building on surplus land for FLM and other line shops to occupy, expected opening July 2021.

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

12 GOING CONCERN

The outbreak of the coronavirus has resulted in the World Health Organisation declaring it a pandemic on 11 March 2020, following which the South African Government declared a national state of disaster on 15 March 2020, with various restrictions being implemented. On 23 March 2020 the South African Government declared a level 5 national lockdown (5-level restriction hierarchy with level 5 being the most restrictive), which was subsequently reduced to level 3 from 1 June 2020. The measures implemented under level 3 had a limited impact on the business operation as commercial tenants continue to pay their rental. From 18 August 2020, South Africa implemented level 2 restrictions. These reduced restrictions permit the provision of domestic leisure travel and accommodation services, while observing strict health protocols.

The impact on vacancies has been considered in determining the fair value of the investment properties, details of which have been disclosed in note 4. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short to medium term; while the Company will not be immune to these challenges it, however, has been allowed to continue most operations. The short to medium-term severity of the global coronavirus pandemic and consequent impact on the profitability of the Company's business, however, remain uncertain.

The directors reviewed the 2021 budget and incorporated sensitivities to assess the impact of the coronavirus; no risks were identified which would impact the Company's status as a going concern.

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

13 DIVIDENDS

Due to anticipated and continuing property development which commenced at the Cecilia Precinct (previously De Hoop Farm) site, the Board has resolved not to declare a final dividend.

COMMENTARY FROM THE CHIEF EXECUTIVE OFFICER

The assets of La Concorde consist mainly of investment property, art and cash, as well as Hosken Passenger Logistics & Rail (“HPL&R”) shares acquired during the acquisition and distribution of the group’s interest in that company. Further development of properties is being considered, however, the current zoning of these properties will naturally result in significant delays.

During the period the group developed a portion of its De Hoop property (renamed Cecilia Precinct) which houses a Builders Express. Builders Express commenced trading on 24 October 2019.

During the period the income generated mainly consisted of interest income from cash and cash equivalents, rental income and recoveries of utilities and operating expenses.

Operating expenses mainly consist of utility expenses, management fees, salaries, and repairs and maintenance required for the management of the properties.

Fair value adjustments to shares is as a result of the decrease in share price of HPL&R shares, which was mainly attributable to adverse market conditions. Fair value adjustment to investment property relates to the decrease in carrying value of Laborie from R62 million to R55 million. During the period the investment in Paarl Vallei Bottling Company was impaired by R10 million.

The Company issued a circular to shareholders on 20 November 2019 in respect of an odd-lot offer. The offer opened on 28 November 2019 and allowed La Concorde to repurchase the shares of holders of fewer than 9 500 shares at R3.25 per share. The offer closed on 18 December 2019. Holders of these shares were entitled to elect not to have their shares repurchased. However, this offer presented an exit opportunity to shareholders who may otherwise not have been able to locate buyers for their shares. HCI furthermore extended an offer to purchase the shares of those holders who held more than 9 500 shares at a similar price to that of the odd-lot offer.

During June 2020 the group concluded an offer to lease with Food Lovers Market (“FLM”). A building will be erected on surplus land for FLM and other line shops to occupy, expected opening July 2021. The group concluded a sale agreement in July 2020. In terms of the agreement, ERF 31366, Picardi Farm, ERF 8677, Paarl, Western Cape and ERF 8676, Paarl, Western Cape was sold for R73 million.

The outbreak of the coronavirus has resulted in the World Health Organisation declaring it a pandemic on 11 March 2020, following which the South African Government declared a national state of disaster on 15 March 2020, with various restrictions being implemented. On 23 March 2020, the South African Government declared a level 5 national lockdown (5-level restriction hierarchy with level 5 being the most restrictive), which was subsequently reduced to level 3 from 1 June 2020. The measures implemented under level 3 had a limited impact on the business operations as commercial tenants continue to pay their rental. Business and leisure travel remain constrained. From 18 August 2020 South Africa implemented level 2 restrictions. These reduced restrictions permit the provision of domestic leisure travel and accommodation services, while observing strict health protocols.

Signed on behalf of the Board of directors

Lael Bethlehem
Chief executive officer

Cape Town
8 September 2020

NOTICE OF THE ANNUAL GENERAL MEETING

LA CONCORDE HOLDINGS LIMITED
Registration number: 2009/012871/06
Incorporated in the Republic of South Africa
("La Concorde" or "the Company")

Notice is hereby given in terms of section 62 of the Companies Act, 2008 (Act 71 of 2008) as amended ("the Act") that the annual general meeting of the Company will be held on Thursday, 15 October 2020 at 11:30 at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point, 8005, to transact the following business and to consider and, if deemed fit, to pass the following ordinary and special resolutions with or without modification:

PRESENTATION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS OF THE COMPANY, INCLUDING THE REPORTS OF DIRECTORS, EXTERNAL AUDITORS AND THE AUDIT COMMITTEE, FOR THE YEAR ENDED 31 MARCH 2020

In terms of the Act the audited annual financial statements of the Company (including the reports of the directors and the audit committee) for the year ended 31 March 2020 as approved by the Board of directors will be presented to the shareholders of the Company.

The full annual financial statements are available on the La Concorde website, www.laconcordeholdings.co.za or alternatively requested by sending an e-mail to shares@laconcordeholdings.co.za.

ORDINARY RESOLUTION NUMBER 1: RETIREMENT, RE-ELECTION AND CONFIRMATION OF APPOINTMENT OF DIRECTORS

Clause 22.7 of the Company's memorandum of incorporation determines that no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election to the office of director at any annual general meeting unless, not less than 7 (seven) days nor more than 14 (fourteen) days before the day appointed for the meeting, there shall have been given to the secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of the intention of such member to propose such person for election and also notice in writing signed by the person to be proposed of her/his willingness to be elected.

The directors have recommended the following:

ORDINARY RESOLUTION NUMBER 1.1: ELECTION OF MR JOHN ANTHONY COPELYN AS DIRECTOR *"Resolved that Mr JA Copelyn be and is hereby elected as a director of the Company."*

Explanation:

To re-elect Mr John Anthony Copelyn, who retires at this annual general meeting in terms of the memorandum of incorporation and who is eligible and available for re-election.

John is the chief executive officer of Hosken Consolidated Investments ("HCI"), the Group's ultimate holding company. John was previously general secretary of various unions in the clothing and textile industry from 1974 before becoming a member of parliament in 1994. He currently holds various directorships and is non-executive chairman of eMedia Holdings Limited, Deneb Investments Limited, Tsogo Sun Gaming Limited, Tsogo Sun Hotels Limited, Montauk Holdings Limited and the HCI Foundation.

ORDINARY RESOLUTION NUMBER 1.2: ELECTION OF MR YUNIS SHAIK AS DIRECTOR *"Resolved that Mr Y Shaik be and is hereby elected as a director of the Company."*

Explanation:

To re-elect Mr Yunis Shaik, who retires at this annual general meeting in terms of the memorandum of incorporation and who is eligible and available for re-election.

Yunis was an attorney of the High Court and in private practice prior to joining HCI in 2014. He is a former deputy general secretary of the Southern African Clothing and Textile Workers Union and a director of Workers' College. He has served as a senior commissioner to the CCMA in KwaZulu-Natal. He was appointed to the HCI Board in August 2005 and to the Board of Niveus Investments in 2012. He was appointed to the La Concorde Board on 9 March 2017.

ORDINARY RESOLUTION NUMBER 2: APPOINTMENT OF AUDITORS

"Resolved that PricewaterhouseCoopers and Mr Hugo Zeelie, as designated auditor, is hereby appointed as external auditor of the Company for the ensuing year."

Explanation:

In terms of the Act the Company, being a public company, must have its financial results audited and such auditor of the Company must each year at the Company's annual general meeting be appointed or reappointed, as the case may be, as an external auditor. The Company's current external auditor is PricewaterhouseCoopers, which has indicated that Mr Hugo Zeelie will undertake the audit during the financial year ending 31 March 2021.

NOTICE OF THE ANNUAL GENERAL MEETING *(continued)*

SPECIAL RESOLUTION NUMBER 1: SHAREHOLDERS' GENERAL AUTHORISATION OF FINANCIAL ASSISTANCE

"Resolved that, to the extent required by sections 44 and 45 of the Act, the Board of directors of the Company may, subject to compliance with the requirements of the Company's MOI and the Act, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to:

- 1.1 any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or inter-related company; and/or
- 1.2. any of its present or future subsidiaries and/or any other company or corporation that is or becomes related to or inter-related with the Company for any purpose or in connection with any matter; and/or
- 1.3. any of the present or future directors or prescribed officers (or any person related to any of them or to any company or entity related or interrelated to any of them), or to any other person who is or may be a participant in any current or future employee share plans or other incentive schemes, or any share scheme trust or other entity facilitating any such scheme, for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or interrelated company or entity or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such plan or scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Act.

The financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending 2 (two) years after such date."

Explanation:

As part of the normal conduct of the business of the Company and its subsidiaries from time to time, the Company, where necessary, provides financial assistance to its related and interrelated companies and entities (as contemplated in the Act) including the provision of guarantees and other forms of security to third parties which provide funding to the Company's subsidiaries, whether by way of loans, subscribing for shares (including preference shares) or otherwise. In the circumstances and in order to ensure that, among other things, the Company and its subsidiaries and other related and interrelated companies and entities continue to have access to, and are able to appropriately structure their financing for purposes of funding their corporate and working capital requirements, it is necessary that the Company obtains the approval of shareholders in terms of this special resolution number 1.

The Company may furthermore wish to provide financial assistance to its subsidiaries and other related and interrelated companies and corporations including pursuant to the Company's employee and other share schemes.

Sections 44 and 45 of the Companies Act provide that the financial assistance required can only be provided pursuant to a special resolution of the shareholders, adopted within the previous 2 (two) years, which resolution must have approved such financial assistance either for the specific recipient or generally for a category of potential recipients (and the specific recipient falls within that category), and the directors must be satisfied that:

- immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as defined in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The passing of this special resolution number 1 will have the effect of authorising the Company to provide direct or indirect financial assistance in accordance with sections 44 and 45 of the Companies Act, for a period of 2 (two) years after the adoption of this resolution.

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF ANNUAL FEES TO BE PAID TO NON-EXECUTIVE DIRECTORS

In terms of the requirements of section 65(11)(h) of the Act shareholders are requested to approve the following resolution as a special resolution:

"Resolved that for the period 1 April 2020 to 31 March 2021, the remuneration payable to non-executive directors of the Company for their services as directors be as follows:

Director R100 170 per annum."

Explanation:

In terms of section 66(8) of the Act the Company may pay remuneration to its directors for their services as directors. In terms of section 66(9) of the Act the remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders during the previous 2 (two) years.

NOTICE OF THE ANNUAL GENERAL MEETING *(continued)*

ORDINARY RESOLUTION NUMBER 3: DIRECTORS' AUTHORITY TO IMPLEMENT COMPANY RESOLUTIONS

"Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting."

RECORD DATE

The Board of directors of the Company ("the Board") determined, in accordance with section 59 of the Companies Act, 2008 (Act 71 of 2008) as amended ("the Act"), that the record date for the purpose of determining when persons must be recorded as shareholders in the securities register of the Company in order to be entitled to receive notice of the annual general meeting is Friday, 4 September 2020. The Board determined that the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 9 October 2020. Accordingly, only shareholders who are registered in the securities register of the Company on Friday, 9 October 2020 will be entitled to participate in and vote at the annual general meeting being either personally present or represented by proxy and/or by way of electronic participation.

PROXIES

A shareholder who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder. Such a proxy need not also be a shareholder of the Company. A form of proxy, in which is set out the relevant instructions for its completion, is enclosed for the use of shareholders who are unable to attend the meeting but who wish to be represented thereat. Proxies may only be revoked in writing.

The instrument appointing a proxy and the authority (if any) under which it is signed must be returned to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) before 11:30 on Wednesday, 14 October 2020. Alternatively forms of proxy may be delivered to the Chairman of the AGM, at the AGM before voting on a particular resolution commences.

IDENTIFICATION

The attention of shareholders is drawn to the provisions of section 63(1) of the Act, which determines that:

"Before any person may attend or participate in a shareholders' meeting that person must present reasonably satisfactory identification."

Shareholders or their proxies wishing to attend the meeting are therefore advised to bring their identity document, passport or driver's licence and, in the case of a legal person, documentary proof confirming the authority of a person signing the form of proxy in a representative capacity.

VOTES

On a show of hands, any person present (or by way of electronic participation) and entitled to exercise voting rights shall have one vote.

On a poll, any person present (or by way of electronic participation) and entitled to exercise voting rights shall have the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.

RESOLUTIONS

For an ordinary resolution to be approved by shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

For a special resolution to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

By order of the Board of directors

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
8 September 2020



LA CONCORDE

LA CONCORDE HOLDINGS LIMITED
Registration number: 2009/012871/06
Incorporated in the Republic of South Africa
("La Concorde" or "the Company")

FORM OF PROXY

Form of proxy for the annual general meeting of La Concorde Holdings Limited to be held at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point, 8005, on Thursday, 15 October 2020, at 11:30 (or by way of electronic participation) - for use by certificated ordinary shareholders and dematerialised ordinary shareholders with "own name" registration only.

I/We (full names) _____

of (address) _____

being the registered shareholder of _____ ordinary shares in the capital of the Company, do hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

or in the event of the absence of the abovementioned proxy or if a specific proxy is not appointed in terms hereof, the chairman of the general meeting, as my/our proxy to vote for me/us and on my/our behalf at the general meeting to be held on 15 October 2020 at 11:30 (or by way of electronic participation) and at any adjournment thereof in respect of the resolutions as set out in the notice of the said meeting, as follows:

Please indicate with an "X" in the appropriate spaces provided below how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

| | For | Against | Abstain |
|--|-----|---------|---------|
| ORDINARY RESOLUTIONS | | | |
| Ordinary resolution number 1: Retirement, re-election and confirmation of appointment of directors | | | |
| Ordinary resolution number 1.1: Re-election of director retiring by rotation: Mr JA Copelyn | | | |
| Ordinary resolution number 1.2: Re-election of director retiring by rotation: Mr Y Shaik | | | |
| Ordinary resolution number 2: Reappointment of external auditor | | | |
| Ordinary resolution number 3: Directors' authority to implement Company resolutions | | | |
| SPECIAL RESOLUTIONS | | | |
| Special resolution number 1: Shareholders' general authorisation of financial assistance | | | |
| Special resolution number 2: Directors' remuneration | | | |

Signed at _____ on _____ 2020.

Signature _____

Assisted by me (where applicable) _____

Please read the notes on the reverse side hereof.

NOTES

1. Indicate instructions to a proxy in respect of each resolution by way of a clear cross in the applicable block provided above. Unless otherwise instructed my/our proxy may vote as he or she deems fit.
2. A shareholder of the Company who is entitled to be present and vote may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to participate in, and speak and vote at, the meeting (or by way of electronic participation) on behalf of the shareholder.
3. Any amendment or correction made on this form of proxy must be initialled by the signatory.
4. The appointment of a proxy is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
5. The appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment is revocable the revocation of a proxy must be in writing and signed by the person giving the proxy.
6. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
7. This proxy appointment, unless revoked earlier, remains valid only until the end of the meeting.
8. In the case of a legal person (company, CC, trust, etc.), documentary proof confirming the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, provided that the chairman of the general meeting may waive this requirement if he is satisfied that the person had the necessary authority.
9. A copy of the instrument appointing a proxy must be deposited at the company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132), so as to reach them by no later than Wednesday, 14 October 2020, at 11:30, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the annual general meeting at any time prior to the commencement of the annual general meeting.
10. Proxies not complying with the above requirements will be rejected.

ADMINISTRATIVE INFORMATION

REG NO.

2009/012871/06

DIRECTORS

JA Copelyn, LI Bethlehem, AF Pereira and Y Shaik

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

REGISTERED OFFICE

Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005

WEBSITE

www.laconcordeholdings.co.za

AUDITORS

PricewaterhouseCoopers Inc.

Capital Place, 15-21 Neutron Avenue, Techno Park,
Stellenbosch 7600

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited



LA CONCORDE
