THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 apply to this cover page.

ACTION REQUIRED BY SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled "*Action required by Shareholders*", commencing on page 2.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your broker, banker, attorney, accountant or other professional adviser immediately.
3. If you have disposed of all your Shares, please forward this Circular and the attached Form of Proxy (*grey*) to the purchaser of such Shares or to the broker, banker or other agent through whom the disposal was effected.

LA CONCORDE

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

CIRCULAR TO SHAREHOLDERS

relating to:

- the approval of the Unbundling, in terms of which La Concorde will unbundle the Distribution Shares to Shareholders by way of a distribution *in specie*, amounting to the disposal of the greater part of the assets or undertaking of La Concorde in terms of section 112 of the Companies Act, requiring the approval of Shareholders by way of a special resolution, in terms of section 115 of the Companies Act;

and incorporating:

- a Notice of General Meeting; and
- a Form of Proxy (*grey*) for purposes of the General Meeting.

PSG CAPITAL — **Corporate Adviser**

ENSAFRICA — **Legal Adviser**

KPMG — **Independent Expert**

Grant Thornton — **Independent Reporting Accountant**

Date of issue: Wednesday, 21 February 2018

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of La Concorde and from the offices of PSG Capital, whose addresses are set out in the "Corporate information" section of this Circular, from Wednesday, 21 February 2018 until the date of the General Meeting (both days inclusive). A copy of this Circular will also be available on La Concorde's website (http://laconcordeholdings.co.za).

CORPORATE INFORMATION

DIRECTORS

JA Copelyn (Chairman)*
MM Loftie-Eaton (Chief Executive Officer)
C Kristal (Chief Financial Officer)
A van der Veen*
Y Shaik*
FA du Plessis**
NL Ellis**
MN Joubert**

* Non-executive Directors
** Independent non-executive Directors

DATE AND PLACE OF INCORPORATION

2 July 2009
South Africa

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited
Suite 801
76 Regent Road
Sea Point, 8005
(PO Box 5251, Cape Town, 8000)

REGISTERED ADDRESS

La Concorde
57 Main Street
Paarl, 7646

INDEPENDENT EXPERT

KPMG Services Proprietary Limited
(Registration number 1999/012876/07)
1 Mediterranean Street
Foreshore, Cape Town, 8001
(PO Box 4609, Cape Town, 8000, South Africa)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61051, Marshalltown, 2106(7))

ADMINISTRATOR

Niveus Investments Limited
(Registration number 1996/005744/06)
57 Main Street
Paarl, 7646
(PO Box 6185, Paarl, 7620)

CORPORATE ADVISER

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

and at:

2nd Floor, Building 3, 11 Alice Lane
Sandhurst
Sandton, 2196
(PO Box 650957, Benmore 2010)

LEGAL ADVISER

Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
1 North Wharf Square
Loop Street
Foreshore
Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

HOLDING COMPANY

Niveus Investments Limited
(Registration number 1996/005744/06)
57 Main Street
Paarl, 7646
(PO Box 6185, Paarl, 7620)

HOLDING COMPANY OF NIVEUS

Hosken Consolidated Investments Limited
(Registration number 1973/007111/06)
Suite 801
76 Regent Road
Sea Point, 8005
(PO Box 5251, Cape Town, 8000)

INDEPENDENT REPORTING ACCOUNTANT

Grant Thornton Johannesburg Partnership
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X28, Benmore, 2010)

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ACTION REQUIRED BY SHAREHOLDERS

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Shares in La Concorde, please forward this Circular and the attached Form of Proxy to the purchaser of such Shares or to the broker, banker, attorney or other agent through whom the disposal was effected.

The General Meeting will be held at La Concorde, 57 Main Street, Paarl on Friday, 23 March 2018 at 10h00, at which General Meeting Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

1. LA CONCORDE SHAREHOLDERS

1.1 **Voting and attendance at the General Meeting**

1.1.1 You may attend the General Meeting in person and may vote at the General Meeting.

1.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*grey*) in accordance with the instructions contained therein and lodging it, posting it or sending it via e-mail to the Transfer Secretaries to be received by them preferably by no later than 10h00 (South African time) on Tuesday, 20 March 2018, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be handed to the chairperson of the General Meeting prior to the commencement of the General Meeting, at any time before the appointed proxy exercises any Shareholder rights at the General Meeting. The details of the Transfer Secretaries are set out below:

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61051, Marshalltown 2107)
Email: proxyx@computershare.co.za

2. FOREIGN SHAREHOLDERS

2.1 This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

2.2 The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

2.3 The distribution of the Distribution Shares to Shareholders not resident in South Africa ("**Foreign Shareholders**") in terms of the Unbundling may be affected by the laws of such Foreign Shareholders' relevant jurisdiction. The Company reiterates that those Foreign Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements.

2.4 It is the responsibility of any Foreign Shareholder (including, without limitation, nominees, agents and trustees for such persons) to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

2.5 Foreign Shareholders who are not entitled to receive Distribution Shares pursuant to the Unbundling should dispose of their Shares such that they are no longer reflected as a holder of Shares on the Unbundling Record Date.

2.6 La Concorde reserves the right, but shall not be obliged, to treat as invalid any distribution of Distribution Shares, in terms of the Unbundling, which appears to La Concorde or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if La Concorde believes or its agents believe that the same may violate applicable legal or regulatory requirements.

2.7 This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. This Circular does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read this Circular with care. Any decision to approve the Unbundling or any other response to the proposals should be made only on the basis of the information in this Circular.

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

3. SHAREHOLDERS' APPRAISAL RIGHTS

Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act, in relation to the Unbundling, are referred to **Annexure 2** of this Circular.

4. TAKEOVER REGULATION PANEL APPROVALS

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of affected transactions, such as the Unbundling, when it approves such transactions.

5. GENERAL

5.1 The implementation of the Unbundling is subject, *inter alia*, to the approval by Shareholders of the requisite resolution at the General Meeting in accordance with the Companies Act and the MOI.

5.2 In order to be approved, each special resolution and each ordinary resolution must be adopted with the support of at least 75% and more than 50%, respectively, of the voting rights exercised on such resolutions at the General Meeting.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 apply to this page.

	2018
Record date for Shareholders to be recorded in the Register in order to receive this Circular	Friday, 16 February
Circular incorporating the Notice of General Meeting and Form of Proxy (*grey*), distributed to Shareholders on	Wednesday, 21 February
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting on	Tuesday, 13 March
Newco pre-listing statement made available by	Thursday, 15 March
Record date for a Shareholder to be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 16 March
For administrative reasons, Forms of Proxy (*grey*) in respect of the General Meeting to be lodged at the Transfer Secretaries preferably by 10h00 on	Tuesday, 20 March
Last date and time for Shareholders to give notice in terms of section 164 of the Companies Act to La Concorde, objecting to the special resolution approving the Unbundling by 10h00 on	Friday, 23 March
Forms of Proxy (*grey*) not lodged with the Transfer Secretaries to be handed to the chairperson of the General Meeting before the proxy exercises the rights of the Shareholder at the General Meeting on	Friday, 23 March
General Meeting held at 10h00 on	Friday, 23 March
If the Unbundling is approved by Shareholders:	
Last date on which Shareholders who voted against the special resolution approving the Unbundling may require La Concorde to seek court approval in terms of section 115(3)(a), but only if the special resolution was opposed by at least 15% of the voting rights exercised thereon	Tuesday, 3 April
Last date to trade Shares in order to be recorded in the Register to participate in the Unbundling on	Friday, 6 April
Last date on which Shareholders who voted against the special resolution approving the Unbundling may make application to the court in terms of section 115(3)(b) of the Companies Act	Tuesday, 10 April
Last date for La Concorde to send objecting Shareholders notice of the adoption of the special resolution approving the Unbundling, in terms of section 164 of the Companies Act	Tuesday, 10 April
Special resolution approving the Unbundling passed, if Shareholders do not exercise their rights in terms of section 115(3)(a) and 115(3)(b) of the Companies Act	Tuesday, 10 April
Assuming that all the Unbundling Conditions are fulfilled or waived (to the extent legally permissible) by Wednesday, 11 April 2018 and that neither court approvals nor the review of the Unbundling is required:	
Unbundling Record Date	Wednesday, 11 April
Unbundling Completion Date, on which date the Distribution Shares will be distributed to Shareholders	Friday, 13 April
Newco expected to list on the JSE main board on or about	Tuesday, 24 April

Notes:

1. *The above dates and times are subject to amendment at the discretion of La Concorde, subject to the Companies Act. Any such amendment will be communicated to the Shareholders in accordance with the Companies Act and the MOI.*
2. *The above dates may be amended to the extent that any Shareholders exercise their appraisal rights in terms of section 164 of the Companies Act.*
3. *All dates and times indicated above are South African Standard Time.*

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, references to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

"Administration Agreement"	the administration agreement concluded between La Concorde South Africa Proprietary Limted and the Administrator on 25 July 2011, as amended, in terms of which the Administrator provides various services, including company secretarial support, the provision of cash management services as well as developing and advising La Concorde and its Subsidiaries in relation to appropriate capital management strategies and interacting with key Shareholders;
"Administrator"	Niveus;
"B-BBEE"	broad-based black economic empowerment in terms of the Broad-Based Black Economic Empowerment Act, 2003 (No. 53 of 2003), as amended from time to time;
"Board" or "Directors"	the directors of La Concorde from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the "*Corporate Information*" section of this Circular;
"Business Day"	any day, other than a Saturday, Sunday or public holiday in South Africa;
"Certificated Shares"	Shares, title to which is evidenced by a share certificate or other Document of Title, and "Certificated" shall bear the corresponding meaning;
"Circular"	this bound document dated Wednesday, 21 February 2018 to Shareholders, including all annexures hereto;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"Companies Act"	the Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
"CSDP"	a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share account;
"Dematerialisation"	the process by which securities held in Certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP, and "Dematerialised" shall bear the corresponding meaning;
"Distribution Shares"	all 110 000 000 Newco Shares held by La Concorde after the implementation of the GABS Acquisition and the Share Split, comprising approximately 38% of the total issued share capital of Newco, which will be distributed to Shareholders by La Concorde in terms of the Unbundling;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to La Concorde;
"Eljosa"	Eljosa Travel and Tours Proprietary Limited (registration number 2016/392192/07), a private company incorporated under the laws of South Africa, being a Subsidiary of HPLR, with HPLR holding 76% of the Eljosa shares in issue;
"Exchange Control Regulations"	the South African Exchange Control Regulations, promulgated in terms of the South African Currency and Exchanges, 1933 (Act No. 9 of 1933), as amended from time to time;
"Financial Markets Act"	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time to time;
"Form of Proxy"	for purposes of the General Meeting, the form of proxy (*grey*);
"GABS"	Golden Arrow Bus Services Proprietary Limited (registration number 1992/001234/07), a private company incorporated under the laws of South Africa, which is a wholly-owned Subsidiary of HPLR;
"GABS Acquisition"	the acquisition by Newco of all the issued ordinary no par value shares in HPLR from HCI for a consideration equal to R1 800 000 000, which was settled by the allotment and issue of 180 Newco Shares (prior to the Share Split), constituting approximately 62% of the entire issued share capital of Newco following the issue thereof, by Newco to HCI, on the terms set out in the GABS Acquisition Agreement and as detailed in the GABS Acquisition Circular;
"GABS Acquisition Agreement"	the asset for share agreement concluded on or about 29 November 2017 between HCI, Newco and La Concorde, setting out the terms and conditions of the GABS Acquisition;
"GABS Acquisition Circular"	the circular in respect of the GABS Acquisition, distributed by Niveus to the Niveus Shareholders on 18 December 2017;

"General Meeting"	the general meeting of Shareholders to be held at 10h00 on Friday, 23 March 2018 at La Concorde, 57 Main Street, Paarl, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;
"HCI"	Hosken Consolidated Investments Limited (registration number 1973/007111/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE and being the Holding Company of Niveus;
"Holding Company"	a "holding company" as defined in the Companies Act, but also includes an entity incorporated outside South Africa which, if incorporated in South Africa, would be a "holding company" as defined in the Companies Act;
"HPLR"	Hosken Passengers Logistics and Rail Proprietary Limited (registration number 2000/010463/07), a private company incorporated under the laws of South Africa, which is the Holding Company of Eljosa and of GABS and which is a wholly-owned Subsidiary of Newco;
"Income Tax Act"	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended from time to time;
"Independent Board"	collectively, FA du Plessis, NL Ellis and MN Joubert, being those Directors who have been appointed as the independent board for purposes of the Companies Act and the Companies Regulations;
"Independent Expert"	KPMG Services Proprietary Limited (registration number 1999/012876/07), further particulars of which appear in the "*Corporate Information*" section of this Circular;
"Independent Expert's Report"	the fair and reasonable opinion prepared by the Independent Expert on the Unbundling, prepared in accordance with the provisions of regulation 90 read with regulation 110 of the Companies Regulations, and attached hereto as **Annexure 1**;
"Independent Reporting Accountant"	Grant Thornton Johannesburg Partnership, further particulars of which appear in the "*Corporate Information*" section of this Circular;
"JSE"	JSE Limited (registration number 2005/022939/06), a public company incorporated in terms of the laws of South Africa and which is licensed as an exchange in terms of the Financial Markets Act;
"La Concorde" or "Company"	La Concorde Holdings Limited (registration number 2009/012871/06), a public company incorporated in terms of the laws of South Africa, being a Subsidiary of Niveus, with Niveus indirectly holding approximately 58% of the issued share capital of La Concorde;
"La Concorde Shareholders" or "Shareholders"	the registered holders La Concorde Shares;
"La Concorde Tax Withholding Shares"	those Distribution Shares (if any) which are withheld in relation to a particular Shareholder in terms of the Unbundling, in settlement of the dividends tax liability and/or STT liability (as the case may be) arising upon implementation of the Unbundling;
"Last Practicable Date"	the last practicable date before finalisation of this Circular, which date was Monday, 12 February 2018;
"MOI"	the memorandum of incorporation of La Concorde;
"Newco"	Niveus Invest 17 Proprietary Limited (registration number 2015/250356/07), a private company duly incorporated under the laws of South Africa, currently being a Subsidiary of HCI, and which is in the process of changing its name to "*Hosken Passenger Logistics and Rail Limited*" and being converted into a public company in anticipation of a listing on the JSE main board;
"Newco Cash Distribution"	the declaration and payment, on 1 February 2018, by Newco of a cash dividend of R649 802 264 to Newco Shareholders, *pro rata* to their respective shareholdings in Newco;
"Newco Shares"	ordinary no par value shares in Newco's share capital;
"Newco Shareholders"	the registered holders of Newco Shares, as at the date of this Circular, being HCI and La Concorde, holding approximately 62% and approximately 38% respectively;
"Niveus"	Niveus Investments Limited (registration number 1996/005744/06), a public company duly incorporated in terms of the laws of South Africa, the ordinary shares of which are listed on the JSE, being a Subsidiary of HCI, with HCI holding, as at the Last Practicable Date, approximately 52.28% of Niveus' issued share capital;
"Niveus Shareholders"	the registered holders of no par value ordinary shares in Niveus' issued share capital;
"Notice of General Meeting"	the notice of the General Meeting of Shareholders, forming part of this Circular;

"PSG Capital"	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa, particulars of which appear in the "*Corporate Information*" section of this Circular;
"Rand" or "R"	South African Rand;
"Register"	the securities register of Shareholders maintained by La Concorde in accordance with the Companies Act;
"Shares" or "La Concorde Shares"	ordinary par value shares of R0.00001 each in the Company's issued share capital;
"Share Split"	the increase in the number of authorised and issued ordinary shares of Newco by the subdivision of each ordinary no par value share in the authorised and issued share capital of Newco, as contemplated in paragraph 1.4 of this Circular, which is to be implemented prior to the Unbundling;
"Shareholders" or "La Concorde Shareholders"	registered holders of Shares;
"South Africa"	the Republic of South Africa;
"STT"	securities transfer tax levied under the STT Act;
"STT Act"	the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007), as amended from time to time;
"Subsidiary"	a "subsidiary" as defined in the Companies Act;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa, the particulars of which are set out in the "*Corporate Information*" section of this Circular;
"Treasury Shares"	Shares beneficially owned by Subsidiaries of La Concorde;
"TRP"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
"Unbundling"	the proposed distribution *in specie* by La Concorde of the Distribution Shares to Shareholders, *pro rata* to their respective shareholdings in La Concorde, as detailed in paragraph 4;
"Unbundling Completion Date"	the date, which is anticipated to be Friday, 13 April 2018, on which the Unbundling has been completed and the Distribution Shares are acquired by the Shareholders, registered as such on the Unbundling Record Date;
"Unbundling Conditions"	the conditions precedent to the Unbundling, as set out paragraph 4.2 of this Circular; and
"Unbundling Record Date"	the date on which a Shareholder must be registered in the Register in order to be eligible to participate in the Unbundling, which is anticipated as being Wednesday, 11 April 2018.

LA CONCORDE

LA CONCORDE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2009/012871/06)
(“**La Concorde**” or “**the Company**”)

Directors:
JA Copelyn (Chairman)
MM Loftie-Eaton (Chief Executive Officer)
C Kristal (Chief Financial Officer)
A van der Veen*
Y Shaik*
FA du Plessis**
NL Ellis**
MN Joubert**

* Non-executive Directors
** Independent non-executive Directors

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 Following implementation of the GABS Acquisition by Newco, the Company intends to undertake the Unbundling in respect of all Newco Shares held by it.

1.2 On or about Thursday, 1 February 2018, following implementation of the GABS Acquisition, but prior to the implementation of the Unbundling, Newco declared and paid the Newco Cash Distribution, amounting in aggregate to R649 802 264, to its shareholders.

1.3 Following receipt of its portion, amounting to R246 476 721, of the Newco Cash Distribution, La Concorde declared, on 2 February 2018, a cash dividend to its shareholders in the amount of 362 cents per Share, with such dividend subsequently being paid on Monday, 12 February 2018.

1.4 It is envisaged that Newco will be listed on the JSE main board following the implementation of the Unbundling. In order to comply with the JSE’s minimum shareholder spread requirements and to have sufficient share capital available to distribute pursuant to the Unbundling, Newco intends, prior to the listing of Newco on the JSE, in terms of section 36(2)(a) of the Companies Act, to increase the number of authorised and issued ordinary shares of Newco by the subdivision of each ordinary no par value share in the authorised and issued share capital of Newco into 1 000 000 ordinary shares of no par value, with the effect that after such subdivision the authorised ordinary share capital of Newco shall consist of 1 000 000 000 ordinary shares of no par value and the issued ordinary share capital of Newco shall consist of 290 000 000 ordinary shares of no par value.

1.5 In terms of the Unbundling, La Concorde, will distribute the Distribution Shares to Shareholders by way of a distribution *in specie pro rata* to their respective shareholding in La Concorde, in the ratio of 1.59466 Distribution Shares for every 1 Share held by any such Shareholder on the Unbundling Record Date, but subject to the withholding of the La Concorde Tax Withholding Shares, as contemplated in paragraph 4.8 of this Circular.

1.6 The Unbundling will result in the disposal of the greater part of the assets or undertaking of La Concorde in terms of section 112 of the Companies Act and therefore requires the approval of Shareholders by way of a special resolution, in terms of the provisions of section 115 of the Companies Act.

1.7 It is noted that in terms of section 115(4) of the Companies Act, any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them will not be taken into account for purposes of calculating the percentage of voting rights:

1.7.1 required to be present or actually present in determining whether the quorum requirements for the special resolution approving the Unbundling have been satisfied; or

1.7.2 required to be voted in support of the special resolution approving the Unbundling or actually voted in respect thereof.

1.8 Since there is no acquiring party in relation to the Unbundling, all Shareholders are entitled to vote with regard to the special resolution approving the Unbundling and will be taken into account for determining whether the quorum requirements have been met.

1.9 The Independent Expert has prepared the Independent Expert's Report in respect of the Unbundling, which is annexed to the Circular as **Annexure 1**.

1.10 The purpose of this Circular is to:

1.10.1 provide Shareholders with the relevant information relating to the Unbundling to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of General Meeting enclosed with this Circular; and

1.10.2 convene the General Meeting to consider and, if deemed fit, approve the resolutions authorising the Unbundling.

2. RATIONALE FOR THE UNBUNDLING

The ultimate intention is for Newco to be listed on the main board of the JSE following the implementation of the Unbundling. The listing of Newco on the JSE will provide shareholders of Newco with more liquidity and flexibility in the event that they wish to trade their shares in Newco that they will acquire pursuant to the Unbundling. The Unbundling is required in order to enable the separate listing of Newco on the JSE.

3. THE BUSINESS OF NEWCO

3.1 The Distribution Shares to be distributed to Shareholders in terms of the Unbundling, comprise approximately 38% of Newco's issued share capital.

3.2 Pursuant to the completion of the GABS Acquisition, Newco currently owns 100% of HPLR's issued share capital, with HPLR, in turn, owning 100% of GABS' issued share capital.

3.3 HPLR was previously a dormant company prior to its acquisition, on or about 1 October 2016, of a 76% shareholding in Eljosa. Eljosa was established in 2004 and operates in the luxury and semi luxury coach markets in Cape Town and the Winelands.

3.4 GABS is the major public transport operator in the Cape Metropole, providing commuter bus services throughout a large part of the City of Cape Town. It is the only scheduled passenger transport operator in the Cape Metropole with Road Transport Management System accreditation and the largest bus fleet in South Africa to achieve the accreditation.

3.5 GABS has been providing scheduled passenger services in Cape Town for over 157 years. It operates approximately 1 018 buses during peak hours, serving 1 300 routes and covering a total area of approximately 2 460 km^2. The fleet travels 63 million kilometres, conveying 55 million passengers, annually.

3.6 Table Bay Rapid Transit Proprietary Limited, a Subsidiary of GABS, has been an official vehicle operating company for the City of Cape Town since 2013. It operates the trunk service along the Atlantic corridor from Table View to Cape Town's central business district ("**CBD**"), as well as services from the CBD to Sea Point and Camps Bay. The MyCiTi services from Khayelitsha and Mitchells Plain are operated by GABS as a subcontractor to the N2 Express Joint Venture Proprietary Limited with Mitchells Plain and Khayelitsha taxi operators.

3.7 GABS operates out of depots in Montana, Woodstock, Atlantis, Philippi and Blackheath (which are owned by a Subsidiary of GABS) and depots in Simon's Town and Kraaifontein (which are leased). The services from Atlantis have been subcontracted to Sibanye Bus Services Proprietary Limited, a joint venture established in 2001 between GABS, and two emerging bus operators, Abahlobo Transport Services Proprietary Limited and Siyakhula Bus Services Proprietary Limited.

3.8 GABS employs approximately 2 700 people. More than half of these – drivers, inspectors, regulators, small business unit managers, and operations managers – are directly involved with the running of bus services. In addition, GABS employs a large contingent of engineering staff, comprising electricians, body builders, fitters and turners, welders, sign writers and painters. Management, administrative staff, storemen, cleaners, and security officials make up the rest of the staff complement.

3.9 For the year ended 31 March 2017, GABS and its subsidiaries posted a 9% increase in operating profit and 11% increase in profit after tax. This was largely achieved through an increase in the number of passengers carried within GABS operations, supplemented by a steady revenue flow from joint venture partnerships. This exceptional performance was underpinned by stringent cost containment measures and ongoing operational and technical interventions, aimed at achieving benchmark efficiencies across the entire operation. These efficiencies will stand the company in good stead for the future, bearing in mind the weak outlook of the general economy.

3.10 Impetus has been given to a number of strategic focus areas in GABS, which includes *inter alia*, the recapitalisation of the bus fleet, depot expansions, the purchase of a state of the art automated ticketing system, the construction of a new learning and recruitment centre, the consolidation of corporate social investment projects, subscription to optimal B-BBEE ratings, the measurement and monitoring of sustainability indices and the institution of a company-wide risk registry.

Fleet Recapitalisation

3.11 An ambitious fleet recapitalisation programme has been introduced which realised the purchase of approximately 1 000 new buses at a cost of R1.5 billion from 2004 to date. This has enabled GABS to reduce the average age of its fleet from 18,3 years to 8,9 years which has markedly reduced overall maintenance and operational costs.

Depot Expansion

3.12 In 2008, the Southgate depot in Philippi was built at a cost of R42.3 million. This depot investment accommodates approximately a quarter of GABS' bus fleet and is strategically located to serve the sprawling and populous metro's south-eastern suburbs. The depot also received engineering accreditation as being an environmentally green building with all aspects of the design and construction implemented through the use of processes that are environmentally responsible and resource-efficient.

Automatic Fare Collection System

3.13 After a thorough procurement process, the tender for a company-wide roll-out of an Automatic Fare Collection ("**AFC**") system was awarded to Parkeon from the United Kingdom at a cost of R60 million. The AFC system will make provision for the selling and updating of contactless smart cards at various points and will control both cash fare validation and smart card validation aboard buses. It will also allow for the capturing of invaluable ridership data which had previously not been available for analysis and will facilitate better business decisions and ensure that GABS' offerings meet the exact needs of passengers.

New Learning Centre

3.14 With the extension of training to the City of Cape Town for MyCiTi Operators and the need to have a continuous and reliable pipeline of suitably qualified drivers, the GABS board of directors approved during August 2015 the construction of a new learning and recruitment centre at a cost of R30 million in Philippi. The centre will also accommodate the company's recruitment department and is poised to be entrenched as centre of driving excellence as well as promoting and developing skills and competencies that are allied to the commuter bus industry.

Corporate Social Investment

3.15 Through the HCI Foundation, GABS has been able to continue its support for the core projects that were started under the auspices of the erstwhile Golden Arrow Foundation; most notably the much vaunted Community Transport Programme, the provision of tertiary bursaries to dependants of employees, the Grassroots Educare Trust and the Heartlands Child Care Centre.

4. TERMS OF THE UNBUNDLING

4.1 **Overview**

4.1.1 La Concorde holds the Distribution Shares, comprising approximately 38% of the total issued share capital of Newco.

4.1.2 In terms of the Unbundling, La Concorde will unbundle the Distribution Shares to Shareholders, by way of a distribution *in specie pro rata* to their respective shareholding in La Concorde as at the Unbundling Record Date, in the ratio of 1.59466 Distribution Shares for every 1 Share held by any such Shareholder on the Unbundling Record Date, subject to the withholding of the La Concorde Tax Withholding Shares, as contemplated in paragraph 4.8 of this Circular.

4.1.3 The distribution of the Distribution Shares by La Concorde to Shareholders will give rise to a liability for dividends tax in accordance with the Income Tax Act and STT in accordance with the STT Act in the event that any beneficial owner of the Distribution Shares does not qualify for an exemption from such tax. The relevant La Concorde Tax Withholding Shares will be withheld, in relation to a particular Shareholder, in order to allow La Concorde and Newco (as applicable) to dispose of such shares to enable them to make payment of such liability for dividends tax and STT, respectively.

4.2 **Unbundling Conditions**

4.2.1 The Unbundling is subject to the fulfilment or waiver by La Concorde (to the extent legally permissible) of the following conditions precedent ("**Unbundling Conditions**"), namely that:

4.2.1.1 by no later than Thursday, 31 May 2018:

4.2.1.1.1 Newco has been converted from a private company to a public company and each ordinary no par value share in the authorised and issued share capital of Newco has been subdivided into 1 000 000 ordinary shares of no par value, and such changes have been filed with the Companies and Intellectual Property Commission;

4.2.1.1.2 the Board has approved the Unbundling in accordance with section 46 of the Companies Act;

4.2.1.1.3 the TRP has issued a compliance certificate, in accordance with section 119(4)(b) of the Companies Act, to La Concorde in respect of the Unbundling; and

4.2.1.1.4 Shareholders have approved the Unbundling in terms of sections 112 and 115 of the Companies Act, by the requisite majority of Shareholders at the General Meeting voting in favour of the resolutions approving the Unbundling; and

4.2.1.2 within the time period prescribed in section 164(7) of the Companies Act, La Concorde Shareholders have not voted against the special resolution approving the Unbundling and have not exercised their appraisal rights, by giving valid demands in accordance with sections 164(5) and 164(8) of the Companies Act, in respect of 2.5% or more of the issued La Concorde Shares (or such other number as the Board may determine).

4.2.2 The Board may, at any time prior to Thursday, 31 May 2018, extend the date for fulfilment of the Unbundling Conditions or waive, wholly or in part, the Unbundling Condition referred to in paragraph 4.2.1.2 of this Circular.

4.3 **Fractions**

Where a Shareholder's entitlement to the Distribution Shares in terms of the Unbundling, calculated in accordance with the ratio set out in paragraph 4.1.2 of this Circular, gives rise to a fraction of a Distribution Share, such fraction will (i) be rounded up to the nearest whole number, if it is equal to or greater than 0.5; (ii) be rounded down to the nearest whole number if it is less than 0.5.

4.4 **The implementation date of the Unbundling**

The Unbundling will be implemented after the Unbundling Conditions are fulfilled or waived (to the extent legally permissible), as the case may be, on the Unbundling Completion Date, which is anticipated to be Friday, 13 April 2018.

4.5 **Classification of the Unbundling**

The Unbundling constitutes the disposal of the greater part of the assets or undertaking of La Concorde in terms of section 112 of the Companies Act and therefore requires the approval of Shareholders by way of a special resolution, in terms of the provisions of section 115 of the Companies Act.

4.6 **Shareholders' appraisal rights**

4.6.1 Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act, in relation to the Unbundling are referred to the requirements stipulated in **Annexure 2** of this Circular, read with the note thereon in the Notice of General Meeting.

4.6.2 Should any Shareholder elect to exercise its appraisal rights in terms of section 164 of the Companies Act, such Shareholder will no longer be entitled to receive Distribution Shares in terms of the Unbundling. Accordingly, the Distribution Shares which were due to be distributed *in specie* to such Shareholders (had they not exercised their appraisal rights) will be retained by La Concorde and may be sold by La Concorde, if it elects to do so.

4.7 **Implementation of the Unbundling**

4.7.1 Upon implementation of the Unbundling, Shareholders will, subject to paragraph 4.7.2 below, receive the Distribution Shares to which they are entitled, in Certificated form only, with the share certificates for such shares being posted to Shareholders, at their risk, on or as soon as reasonably possible after the Unbundling Completion Date of Friday, 13 April 2018.

4.7.2 Any Shareholder who does not wish to receive its Distribution Shares in Certificated form and instead wishes to receive such shares in Dematerialised form, must appoint a CSDP under the terms of the Financial Markets Act, directly or through a broker, to Dematerialise such shares on its behalf and must prior to the last date to trade for the La Concorde Unbundling, being Friday, 6 April 2018, provide the necessary application form (which may be obtained from the Transfer Secretaries or from the Company's website at http://laconcordeholdings.co.za), duly completed and signed, to the Transfer Secretaries, whose contact details are as follows:

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61763, Marshalltown 2107)
Email: corporate.events@computershare.co.za

4.7.3 If you are in any doubt as to what action you should take, please consult your broker, banker, attorney or other professional adviser.

4.8 **Tax considerations relating to the Unbundling**

4.8.1 The following is a general description of certain aspects of South African tax considerations relating to the Unbundling as at the date of this Circular. It is not intended to be, nor should it be considered as legal or taxation advice. South African tax legislation is subject to frequent change and accordingly the comments as set out below may be subject to change, possibly with retrospective effect. Shareholders should consult their own professional advisers with regard to the South African tax implications arising in respect of the Unbundling. La Concorde makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.

4.8.2 The Unbundling will constitute a distribution *in specie* by La Concorde of the Distribution Shares to its Shareholders, *pro rata* to their respective shareholdings in La Concorde as at the Unbundling Record Date.

4.8.3 **Distribution of Distribution Shares**

4.8.3.1 The distribution of the Distribution Shares by La Concorde to its Shareholders constitutes a "dividend", as defined in the Income Tax Act, and will be subject to South African income tax in the hands of each Shareholder, unless the dividend is exempt from South African income tax in terms of section 10(1)(k)(i) of the Income Tax Act. In terms of section 10(1)(k)(i) of the Income Tax Act, a "dividend", as defined in section 1 of the Income Tax Act, which is received by or accrues to any Shareholder during any year of assessment is exempt from income tax, subject to certain exclusions.

4.8.3.2 For purposes of the capital gains tax ("**CGT**") provisions contained in the Eighth Schedule to the Income Tax Act, Shareholders will be deemed to have acquired the Distribution Shares for an amount of expenditure equal to the market value of such shares on the Unbundling Completion Date for purposes of determining the "base cost" (as such term is defined in the Eighth Schedule to the Income Tax Act) of the relevant Distribution Shares.

4.8.3.3 Any Shareholder who holds the Distribution Shares as trading stock will be deemed to have acquired the Distribution Shares at a cost equal to the market value of such shares on the Unbundling Completion Date for purposes of the trading stock provisions contained in the Income Tax Act.

4.8.3.4 Shareholders are advised to consult their own professional advisers to ascertain whether the abovementioned provisions or any other provisions of the Income Tax Act will apply in relation to the Unbundling.

4.8.3.5 Shareholders who do not constitute a "resident" as defined in the Income Tax Act are advised to consult their own professional advisers to ascertain the South African tax treatment and the tax treatment of the Unbundling in their country of residence, having regard to any applicable double taxation agreement between South Africa and their country of residence.

4.8.4 **Securities transfer tax**

4.8.4.1 In terms of the STT Act, STT will be payable on the transfer of the Distribution Shares to Shareholders pursuant to the Unbundling. The amount of STT to be imposed will be calculated as 0.25% of the market value of the Distribution Shares, on the Unbundling Record Date.

4.8.4.2 Newco will be liable for the STT payable in respect of the transfer of the Distribution Shares distributed pursuant to the Unbundling.

4.8.4.3 In terms of the STT Act, Newco is, however, entitled to recover the amount of STT payable by Newco from the Shareholder to whom Distribution Shares are distributed pursuant to the Unbundling. Newco has indicated, and hereby notifies Shareholders, that it will recover the amount of STT payable by Newco from the Shareholder to whom Distribution Shares are distributed pursuant to the Unbundling.

4.8.4.4 Should any Shareholder believe that the transfer of Distribution Shares to such Shareholder pursuant to the Unbundling qualifies for an exemption from STT in terms of the STT Act, such Shareholder must contact the Transfer Secretaries before 10h00 on Friday, 23 March 2018 in order to ensure that the STT amount is not claimed from such Shareholder.

4.8.4.5 In the event that a Shareholder does not qualify for an exemption from STT, the relevant La Concorde Tax Withholding Shares will (in the absence of a written request to the contrary by such Shareholder to Newco and such Shareholder paying the applicable STT cash amount to Newco) be sold on such Shareholder's behalf in order to settle such Shareholder's liability to make payment of the STT to Newco (as contemplated in paragraph 4.8.4.3).

4.8.5 **Dividends tax**

4.8.5.1 The distribution of the Distribution Shares will constitute a "dividend" as defined in the Income Tax Act. The distribution will give rise to a liability for dividends tax in accordance with the Income Tax Act in the event that any beneficial owner of the Distribution Shares does not qualify for an exemption from the dividends tax.

4.8.5.2 In the event that any beneficial owner of the Distribution Shares does not qualify for an exemption from the dividends tax, La Concorde will withhold the relevant La Concorde Tax Withholding Shares in relation to a particular Shareholder in order to enable it to make payment of such liability for dividends tax to the South African Revenue Service.

5. EXCHANGE CONTROL

The following is a summary of the Exchange Control Regulations insofar as they have application to Shareholders and is not a comprehensive statement of the South African Exchange Control Regulations. Shareholders who are in any doubt as to the action to be taken should consult their professional advisers immediately.

Note: The following provisions only apply to Shareholders who are recorded on the South African Register, either in their own name or through an intermediary.

5.1 **Insofar as the Unbundling is concerned**

5.1.1 **Residents of the Common Monetary Area**

For all Shareholders whose addresses are within the Common Monetary Area and whose Documents of Title or accounts have not been restrictively endorsed in terms of the Exchange Control Regulations, the distribution *in specie* of the Distribution Shares will be freely made to the Shareholders.

5.1.2 **Emigrants from the Common Monetary Area**

5.1.2.1 **Certificated Shareholders**

The share certificates for the shares distributed to any emigrant Shareholder pursuant to the distribution *in specie* will be restrictively endorsed "non-resident" and sent to the authorised dealer controlling such emigrant's blocked assets. In terms of the Exchange Control Regulations, such Distribution Shares are not freely transferable from the Common Monetary Area. The authorised dealer or its CSDP will ensure that all requirements of exchange control are adhered to in respect of their clients falling into this category of investor.

5.1.2.2 **Dematerialised Shareholders**

The Distribution Shares credited to the Shareholder's account with his CSDP or Broker will be flagged "non-resident" and linked to the applicable emigrant blocked account in the books of the authorised dealer or authorised bank concerned. In terms of the Exchange Control Regulations, such Distribution Shares are not freely transferable from the Common Monetary Area. The CSDP or Broker will ensure that all exchange control requirements are adhered to in respect of their clients falling into this category of investor.

5.1.3 **All other non-residents of the Common Monetary Area**

5.1.3.1 **Certificated Shareholders**

Non-resident Shareholders whose Documents of Title are endorsed "non-resident" will receive certificates for their Distribution Shares which are similarly endorsed. The Broker or the Transfer Secretaries will ensure that all exchange control requirements are adhered to in respect of these shares.

5.1.3.2 **Dematerialised Shareholders**

The Distribution Shares credited to the Shareholders account with his CSDP or Broker will be flagged "non-resident" and linked to the applicable non-resident account in the books of the authorised dealer or authorised bank concerned. The CSDP or Broker will ensure that all requirements of exchange control are adhered to in respect of their clients falling into this category of investor.

6. FINANCIAL INFORMATION

6.1 **Historical financial information of La Concorde**

6.1.1 Extracts of the consolidated historical financial information of La Concorde for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2017, are annexed hereto as **Annexure 3** and extracts of the consolidated interim financial information of La Concorde for the six months ended 30 September 2017 are annexed hereto as **Annexure 4**.

6.1.2 Copies of the aforementioned historical financial information of La Concorde will also be available for inspection by Shareholders during normal business hours at the registered office of La Concorde and at the offices of PSG Capital from Wednesday, 21 February 2018 until the date of the General Meeting (both days inclusive).

6.2 ***Pro forma* financial information of La Concorde**

6.2.1 The consolidated *pro forma* financial effects of the Unbundling, as set out below, are the responsibility of the Independent Board. The consolidated *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of La Concorde has been prepared and in terms of La Concorde accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present La Concorde's financial position, changes in equity, results of operations or cash flows post the implementation of the Unbundling.

6.2.2 The *pro forma* financial information of La Concorde has been prepared based on the published reviewed interim financial information of La Concorde for the six months ended 30 September 2017.

6.2.3 The consolidated *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position as set out in **Annexure 5**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 5**.

6.2.4 The report of the Independent Reporting Accountant in respect of the *pro forma* financial information appears in **Annexure 6** to this Circular.

	La Concorde unaudited interim financial information	*Pro forma* adjustment – the GABS Acquisition	*Pro forma* adjustment cash distribution – Newco Cash Distribution	*Pro forma* adjustment – Unbundling	*Pro forma* financial information post Unbundling	Change %
Net asset value per Share (cents)	**1 772.9**	**–**	**(363.3)**	**(1 259.7)**	**149.9**	**(91.5%)**
Net tangible asset value per Share (cents)	**1 772.7**	**–**	**(363.3)**	**(1 259.7)**	**149.7**	**(91.6%)**
Earnings per Share (cents)	**47.7**	**18.4**	**–**	**(69.6)**	**(3.5)**	**(107.3%)**
Headline earnings per Share (cents)	**47.7**	**18.2**	**–**	**(69.3)**	**(3.5)**	**(107.3%)**
Number of Shares in issue and weighted average number of Shares in issue excluding Shares held in treasury ('000)	**68 001**	**68 001**	**68 001**	**68 001**	**68 001**	**–**
Weighted average number of Shares in issue (diluted) ('000)	**68 001**	**68 001**	**68 001**	**68 001**	**68 001**	**–**

Notes and Assumptions:

The "La Concorde unaudited interim financial information" column has been extracted from the interim financial statements for the period ended 30 September 2017.

Further detailed notes and assumptions to the *pro forma* financial information of La Concorde are set out in **Annexure 5**.

7. FURTHER INFORMATION RELATING TO LA CONCORDE

7.1 Share capital

7.1.1 As at the Last Practicable Date, the authorised and issued Share capital of La Concorde was as follows:

	Number of Shares	R'000
Authorised		
Ordinary Shares with par value of R0.00001 each	200 000 000	2
Issued		
Ordinary Shares with par value of R0.00001 each	68 980 374	1
Treasury Shares	979 427	–

7.2 Major Shareholders and interests

7.2.1 As far as the Directors are aware, as at the Last Practicable Date, the following persons are the direct or indirect beneficial owners of 5% or more of the Shares in issue:

Shareholder	Number of Shares	Percentage of total issued Share capital
Niveus	39 373 892	58%
RAC Inv Holdings Proprietary Limited	3 509 983	5%
Total	42 883 875	63%

7.2.2 HCI furthermore holds approximately 52% of the issued ordinary shares of Niveus, and accordingly is the ultimate Holding Company of the Company.

7.2.3 Other than as detailed below in paragraph 8.2 of this Circular, there are no direct or indirect interest in, or holdings of, securities, or actions to be affected by any person as contemplated in regulation 106(7)(d) of the Companies Regulations.

8. INFORMATION RELATING TO DIRECTORS

8.1 Details of Directors

The full names, age, capacity and business address of each of the Directors of La Concorde are outlined below:

Full name	Age	Capacity	Business Address
John Anthony Copelyn	66	Chairman	4 Stirling Street, Zonnebloem, Cape Town, 7925
Muriel Matilda Loftie-Eaton	39	Chief Executive Officer	La Concorde, 57 Main Street, Paarl, 7646
Carolyn Kristal	35	Chief Financial Officer	La Concorde, 57 Main Street, Paarl, 7646
André van der Veen	46	Non-executive Director	La Concorde, 57 Main Street, Paarl, 7646
Yunis Shaik	59	Non-executive Director	4 Stirling Street, Zonnebloem, Cape Town, 7925
Neil Lucas Ellis	64	Independent non-executive Director	Neil Ellis Wines Proprietary Limited, R310 Helshoogte Road, Stellenbosch
Francine-Ann du Plessis	62	Independent non-executive Director	10 Helderberg Street, De Waterkant Building, Stellenbosch, 7600
Michael Neil Joubert	53	Independent non-executive Director	336 The Breakwater, Breakwater Boulevard, Cape Town, 8001

8.2 Directors' interests in the issued Shares of La Concorde

8.2.1 None of the Directors (and their associates) has any direct or indirect beneficial interests in La Concorde issued Shares, as at the Last Practicable Date.

8.2.2 There have been no dealings in respect of beneficial holdings by Directors in Shares since 31 March 2017 until the Last Practicable Date.

8.3 Service contracts of executive Directors

8.3.1 La Concorde South Africa Proprietary Limited and the Administrator entered into the Administration Agreement in terms of which the Administrator provides various services to La Concorde and its Subsidiaries, including company secretarial support, the provision of cash management services as well as developing and advising La Concorde and its Subsidiaries in relation to appropriate capital management strategies, and interacting with key stakeholders.

8.3.2 In terms of the Administration Agreement, the chief executive officer and other executive Directors perform investment management and advisory services for La Concorde in their capacity as executive directors of La Concorde and are employed and remunerated by the Administrator. The Administration Agreement may be cancelled by a three-year notice period. There are no service contracts between the Company and any director or proposed director of the Company.

8.3.3 A copy of the Administration Agreement is available for inspection by Shareholders in accordance with paragraph 13 of this Circular.

9. GENERAL MEETING

9.1 The General Meeting of Shareholders will be held at La Concorde, 57 Main Street, Paarl at 10h00 on Friday, 23 March 2018, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required to give effect to the Unbundling, as contained in the Notice of General Meeting attached to this Circular.

9.2 Full details of the action required by Shareholders are set out in the "*Action required by Shareholders*" section of this Circular.

10. THE VIEWS OF THE INDEPENDENT BOARD IN RELATION TO THE UNBUNDLING

10.1 In accordance with the Companies Regulations, the Board has appointed the Independent Board comprised of independent non-executive Directors of La Concorde. The Independent Board has appointed the Independent Expert to prepare a report on the Unbundling. The Independent Expert has determined that the Unbundling is fair and reasonable to Shareholders of La Concorde, for the reasons and on the basis set out in the Independent Expert's Report.

10.2 The Independent Board, after due consideration of the Independent Expert's Report, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Unbundling, as contemplated in regulation 110(3)(b) of the Companies Regulations. The Independent Board has formed a view of the fair value range of the Newco Shares, which accords with the range contained in the Independent Expert's Report, in considering its opinion and recommendation.

10.3 The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.

10.4 The Independent Board, taking into account the report of the Independent Expert in relation to the Unbundling, has considered the terms and conditions of the Unbundling and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Shareholders and, accordingly, recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting relating to the approval of the Unbundling.

10.5 As at the Last Practicable Date, the Independent Board has not received any offers, as defined in section 117(1)(f) of the Companies Act.

10.6 The Directors on the Independent Board, in their personal capacities, intend to vote any Shares beneficially owned by them in favour of the resolutions to be proposed at the General Meeting.

11. RESPONSIBILITY STATEMENT OF THE INDEPENDENT BOARD IN TERMS OF THE COMPANIES REGULATIONS

The Independent Board accepts responsibility for the information contained in this Circular and confirms that, to the best of its knowledge and belief, such information is true and this Circular does not omit anything likely to affect the importance of such information.

12. ADVISERS' CONSENTS

Each of the advisers, whose name appears in the "*Corporate information*" section of this Circular, has consented in writing to act in the capacities stated and to the inclusion of its name and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of La Concorde and at the offices of PSG Capital from Wednesday, 21 February 2018, until the date of the General Meeting (both days inclusive):

13.1 the MOI of La Concorde;

13.2 the published audited annual financial statements of La Concorde for the preceding three financial years ended 31 March 2015, 31 March 2016 and 31 March 2017, together with the interim financial statements for the six months ended 30 September 2017;

13.3 the Independent Reporting Accountant's report on the *pro forma* financial information of La Concorde, as reproduced in **Annexure 6**;

13.4 the Independent Expert's Report, as reproduced in **Annexure 1**;

13.5 the Administration Agreement;

13.6 the written consents from each of the advisers referred to in paragraph 12;

13.7 the approval letter issued by the TRP in respect of the Circular; and

13.8 a copy of this Circular and all annexures hereto.

SIGNED ON 19 FEBRUARY 2018 BY FA DU PLESSIS ON BEHALF OF THE INDEPENDENT BOARD OF LA CONCORDE, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS

Fran du Plessis

FA du Plessis
Chairperson of the Independent Board

FA du Plessis
NL Ellis
MN Joubert

INDEPENDENT EXPERT'S REPORT

The independent board of directors
La Concorde Holdings Limited
57 Main Street
Paarl
7646
15 February 2018

INDEPENDENT EXPERT'S REPORT REGARDING THE PROPOSED DISTRIBUTION BY LA CONCORDE HOLDINGS LIMITED "LA CONCORDE") OF SHARES IN NIVEUS INVEST 17 PROPRIETARY LIMITED ("NEWCO") TO LA CONCORDE SHAREHOLDERS

INTRODUCTION

On 1 February 2018, Newco acquired 100% of the issued share capital of Hosken Passengers Logistics and Rail Proprietary Limited ("**HPLR**") from Hosken Consolidated Investments Limited ("**HCI**") for a purchase consideration of R1.8 billion, which was settled through the issue of Newco shares to HCI, such shares representing, following their issue, approximately 62% of Newco's issued share capital.

Newco, of which La Concorde is an approximately 38% shareholder, holds 100% of the issued share capital of HPLR, which, in turn, is the 100% shareholder of Golden Arrow Bus Services Proprietary Limited ("**GABS**") and the 76% shareholder of Eljosa Travel and Tours Proprietary Limited ("**Eljosa**").

La Concorde intends to distribute its shareholding in Newco to La Concorde shareholders *pro rata* to their respective shareholdings in La Concorde ("**La Concorde Distribution**"). It is ultimately intended that Newco lists on the Johannesburg Stock Exchange. On or about 1 February 2018, Newco distributed a cash dividend of R649 802 264 to its shareholders, being HCI and La Concorde.

Prior to the implementation of the La Concorde Distribution, each share in Newco's authorised and issued share capital will be subdivided into 1 000 000 shares ("**Share Split**").

Full details of the La Concorde Distributions are contained in the circular to La Concorde shareholders to be dated on or about 21 February 2018 ("**Circular**"), which will include a copy of this letter.

Scope

The independent board of directors of La Concorde ("**Independent Board**") will consider the La Concorde Distribution in terms of section 112 and section 115 of the Companies Act No. 71 of 2008 ("**Companies Act**") read with the Companies Regulations, 2011, promulgated under the Companies Act ("**Companies Regulations**").

KPMG Services Proprietary Limited ("**KPMG**") has been appointed by the Independent Board as the independent professional expert to advise it on whether the terms and conditions of the distribution of Newco shares by La Concorde is fair and reasonable to shareholders of La Concorde ("**Shareholders**").

Responsibility

The compliance with the Companies Act is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the in compliance with the related provisions of the Companies Act.

We confirm that our fair and reasonable opinion has been provided to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Shareholders.

Definition of the terms "fair" and "reasonable"

The assessment of fairness is primarily based on quantitative issues. A transaction may be considered fair if the consideration received per share by a company's shareholders is considered to be equal to or greater than the value surrendered by a company's shareholders in terms of the transaction.

The assessment of reasonableness is generally based on qualitative considerations surrounding a transaction. Hence, even though the consideration received by a company's shareholders may be less than the value surrendered by a company's shareholders, the entire transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

Information utilised and procedures performed

Key fairness considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the La Concorde Distribution:

- obtained an understanding of the structure of the La Concorde Distribution;
- reviewed the terms and conditions of the La Concorde Distribution;
- reviewed the income statement and balance sheet of Newco;
- considered the Circular to Shareholders, to be dated on or about 21 February 2018, in respect of the La Concorde Distribution;
- reviewed certain publicly available information relating to the GABS Group and HPLR and Eljosa ("**HPLR Group**"), including company announcements and media articles;
- considered the historical performance of the GABS, subsidiaries and HPLR Group with reference to its audited financial statements for the financial years ended 31 March 2017, 2016 and -2015 and the unaudited management accounts for the periods ended 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017;
- held discussions with the directors and management of the GABS Group and HPLR Group to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the gambling industry;

- reviewed GABS Group's and HPLR Group's financial forecast for the three years ending 31 March 2020 and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;
- reviewed the process followed in the preparation of the financial forecast and reliance placed thereon;
- assessed the assumptions made against our analysis of future macro-economic factors, as well as the overall industry outlook;
- considered any further material adjustments to value based on matters arising in the period from 30 September 2017 to the date of this opinion;
- considered the discount of subsidiary companies in typical pyramid/holding company structures;
- reviewed the reasonableness of material assumptions in the financial forecast relating to
  - volume and price growth
  - gross and trading profit margins
  - working capital management
- stress tested the material assumptions applied in the financial forecast which included, *inter alia*, discount rate, exchange rates, future growth in the business, gross and trading profit margins, working capital management and optimisation of the existing asset base;
- evaluated the risks and expected returns associated with the GABS Group and HPLR Group; and
- determined a valuation range for the Newco shares (inclusive of the HPLR Group) before and after the La Concorde Distribution.

Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the La Concorde Distribution:

- consideration of the rationale for the La Concorde Distribution and the benefits thereof to La Concorde Shareholders as set out in the Circular and based on discussions with members of the La Concorde board of directors; and
- our understanding of the process followed in the La Concorde Distribution and the options considered.

Valuation

KPMG performed a valuation of Newco to determine whether the distribution of its shares represents fair value to La Concorde Shareholders. The discounted cash flow methodology was the primary valuation methodology employed. This was supplemented with another valuation methodology such as the capitalisation of maintainable earnings before interest, taxation, depreciation and amortisation ("**EV/EBITDA**") methodology.

The valuation was performed taking cognisance of risk and other market and industry factors affecting the HPLR Group. Additionally, sensitivity analyses were performed considering key assumptions.

The valuation assumed that HPLR Group continues as a going concern.

Where appropriate adjustments were made to the financial forecast based on the information and procedures described above and our understanding of the markets in which the HPLR Group operates.

Key value drivers to the primary valuation included the discount rate, exchange rates, future growth in the business segments, operating margins, cost saving initiatives, working capital management and optimisation of the existing asset base.

Prevailing market and industry conditions were also considered in assessing the risk profile of the HPLR Group. Sensitivity analyses were performed on key value drivers in arriving at a valuation range.

In arriving at our opinion, we compared the valuation range for the Newco shares prior to the La Concorde Distribution, of between R6.32 and R6.93 per share on a minority basis (after implementation of the Share Split), to the valuation range for the Newco Shares post the La Concorde Distribution of between R6.83 and R7.48 per share on a minority basis (after implementation of the Share Split). The valuation above is provided solely in respect of this fair and reasonable opinion and should not be used for any other purposes.

Opinion

KPMG has considered the terms and conditions of the La Concorde Distribution and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the La Concorde Distribution are fair to the Shareholders.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the La Concorde Distribution are reasonable in the circumstances.

Our opinion is necessarily based upon the information available to us up to 31 December 2017, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the La Concorde Distribution have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This opinion is provided to the Independent Board in connection with and for the purposes of the La Concorde Distribution for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Shareholders. This opinion is prepared solely for the Independent Board for use in the indicated manner and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders. Should a Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Shareholder's decision as to whether to accept the La Concorde Distribution may be influenced by his particular circumstances.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of the HPLR subsidiaries, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of the HPLR Group relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of the HPLR Group will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of the HPLR subsidiaries. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the La Concorde Distribution will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Niveus and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the transaction will be legally enforceable.

Independence, competence and fees

We confirm that we have no direct or indirect interest in any Newco shares or the La Concorde Distribution. We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion on the La Concorde Distribution.

Furthermore, we confirm that our professional fees of approximately R50 000 are not contingent upon the success of the transaction.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to Shareholders in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours Faithfully

Jacques Pienaar
Director: Deal Advisory

WORDING OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

"Section 115: Required approval for transactions contemplated in Part A

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:

(a) the disposal, amalgamation or merger, or scheme of arrangement:

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved:

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's memorandum of incorporation, as contemplated in section 64(2); and

(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:

(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

SECTION 164: Dissenting shareholders appraisal rights

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in section 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither:

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:

(a) the shareholder:

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11):

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14):

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court:

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may:

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring:

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that:

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section Are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

EXTRACTS OF THE HISTORICAL FINANCIAL INFORMATION OF LA CONCORDE FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 31 MARCH 2016 AND 31 MARCH 2017

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF LA CONCORDE HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED 31 MARCH 2015, 31 MARCH 2016 AND 31 MARCH 2017

INTRODUCTION

The historical financial information of La Concorde Holdings Limited and its subsidiaries set out below has been extracted from the audited annual financial statements of La Concorde Holdings Limited and its subsidiaries for the years ended 31 March 2015, 31 March 2016 and 31 March 2017. The annual financial statements were audited by PricewaterhouseCoopers Inc. and reported on without qualification.

The historical financial information of La Concorde Holdings Limited and its subsidiaries is the responsibility of the Directors of La Concorde Holdings Limited and its subsidiaries.

The historical financial information of La Concorde Holdings Limited and its subsidiaries for the years ended 31 March 2015, 31 March 2016 and 31 March 2017 were authorised for issue on 19 February 2018 by the Board of Directors.

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and separate financial statements of La Concorde Holdings Limited and the group for the year ended 31 March 2017.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The company is an investment holding company operating principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The group made a profit from continuing operations for the year of R25 538 000 (2016 Loss: R6 998 000).

2. DIVIDENDS

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

3. DIRECTORATE

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

Directors	Designation	Changes
F du Plessis	Non-executive Independent	
DP Smit	Executive	Resigned 17 November 2016
NL Ellis	Non-executive Independent	
MJA Golding	Non-executive Independent	Resigned 17 November 2016
A van der Veen	Executive	
JA Copelyn	Non-executive	
MM Mhlarhi	Non-executive Independent	Resigned 17 November 2016
KI Mampeule	Non-executive Independent	Resigned 17 November 2016
MN Joubert	Non-executive Independent	Resigned 17 November 2016
MM Loftie-Eaton	Executive	Appointed 17 November 2016
Y Shaik	Executive	Appointed 9 March 2017

4. HOLDING COMPANY

The group's holding company is Niveus Investments Limited, a company incorporated in South Africa and listed on the Johannesburg Securities Exchange.

5. ULTIMATE HOLDING COMPANY

The group's ultimate holding company is Hosken Consolidated Investments Limited, a company which is incorporated in South Africa and listed on the Johannesburg Securities Exchange.

6. EVENTS AFTER THE REPORTING PERIOD

The company declared an ordinary dividend of 50 cents per share and a special dividend of 50 cents per share resulting in a total dividend of R1 per share paid on 19 June 2017.

7. GOING CONCERN

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group 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 group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

8. AUDITORS

PricewaterhouseCoopers Inc. continued in office in accordance with section 90(6) of the Companies Act 71 of 2008 as auditors for the company and its subsidiaries for 2017.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2017

	Note	Group 2017 R'000	Group 2016 R'000	Group 2015 R'000	Company 2017 R'000	Company 2016 R'000	Company 2015 R'000
ASSETS							
Non-current assets		**457 284**	**274 916**	**261 000**	**382 674**	**411 460**	**325 010**
Property, plant and equipment	3	21 866	241 577	227 427	–	–	–
Investment property	4	953	–	–	–	–	–
Intangible assets	5	176	15 162	16 610	–	–	–
Interest in subsidiaries	6	–	–	–	382 674	411 460	325 010
Investments in associates	7	13 470	18 177	16 798	–	–	–
Loans receivable	13	420 819	–	–	–	–	–
Deferred taxation	15	–	–	165	–	–	–
Current assets		**803 499**	**1 314 254**	**1 320 089**	**471 399**	**411 678**	**498 400**
Inventory	8	–	1 029 116	1 035 493	–	–	–
Loans to group companies	11	–	–	–	471 399	411 678	498 400
Trade and other receivables	9	1 443	222 449	210 139	–	–	–
Loans receivable	13	210 148	–	–	–	–	–
Current income tax assets		–	43	35	–	–	–
Derivative financial instruments		–	18 319	3 715	–	–	–
Bank and cash balances	12	591 908	44 327	70 707	–	–	–
Total assets		**1 260 783**	**1 589 170**	**1 581 089**	**854 073**	**823 138**	**823 410**
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	14	1	1	1	1	1	1
Share premium		425 722	425 722	425 722	425 722	425 722	425 722
Other Reserves		787 230	784 018	784 119	377 179	395 963	397 234
Retained income		28 222	85 071	57 270	50 800	959	–
Total equity		**1 241 175**	**1 294 812**	**1 267 112**	**853 702**	**822 645**	**822 957**
Non-current liabilities		**893**	**63 942**	**45 090**	**–**	**–**	**–**
Deferred taxation	10	893	53 042	45 090	–	–	–
Deferred revenue: government grant		–	10 900	–	–	–	–
Current liabilities		**18 715**	**230 416**	**268 887**	**371**	**493**	**453**
Trade and other payables	15	4 287	181 117	267 302	371	493	453
Deferred revenue: government grant		–	1 875	–	–	–	–
Current tax payable		14 428	–	–	–	–	–
Derivative financial instruments		–	47 424	1 585		–	–
Total equity and liabilities		**1 260 783**	**1 589 170**	**1 581 089**	**854 073**	**823 138**	**823 410**

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 2017 R'000	Group 2016 Restated R'000	Group 2015 R'000	Company 2017 R'000	Company 2016 R'000	Company 2015 R'000
Revenue	17	8 155	3 397	1 147 911	–	–	–
Cost of sales	18	(19 241)	(14 356)	(1 122 791)	(160)	(312)	(261)
Operating profit/(loss)		**(11 086)**	**(10 959)**	**25 120**	**(160)**	**(312)**	**(261)**
Investment income	19	46 818	–	1 923	1	–	4
Finance costs		(5)	–	(2 097)	–	–	–
Income from equity accounted investments	19	736	892	1 579	–	–	–
Profit/(loss) before income tax		**36 463**	**(10 067)**	**26 525**	**(159)**	**(312)**	**(257)**
Income tax	20	(10 925)	3 069	(17 494)	–	–	(1)
Profit/(loss) from continuing operations		**25 538**	**(6 998)**	**9 031**	**(159)**	**(312)**	**(258)**
Discontinued operations							
Net result from discontinued operations	23	**(79 175)**	**34 784**	**–**	**50 000**	**–**	**–**
(Loss) profit for the year		**(53 637)**	**27 786**	**9 031**	**49 841**	**(312)**	**(258)**
Other comprehensive income/(loss) for the year		–	–	37 190	–	–	76 613
Items that will not subsequently be reclassified to profit or loss		**1**	**(86)**	**52**	**–**	**–**	**(251)**
Change in foreign currency translation reserve		1	(86)	52		–	(251)
Total comprehensive income/(loss)		**(53 636)**	**27 700**	**46 273**	**49 841**	**(312)**	**76 104**

STATEMENTS OF CHANGES IN EQUITY

	Group 2017 R'000	Group 2016 R'000	Group 2015 R'000	Company 2017 R'000	Company 2016 R'000	Company 2015 R'000
Share capital						
Balance at beginning and end of the year	1	1	1	1	1	1
Share premium						
Balance at beginning and end of the year	425 722	425 722	425 722	425 722	425 722	425 722
Reserves						
Common control reserve						
Balance at beginning of the year	787 230	787 230	787 230	395 963	395 963	–
Disposal subsidiary	–	–	–	(18 784)	–	–
Balance at end of the year	787 230	787 230	787 230	377 179	395 963	–
Retained earnings						
Balance at beginning of the year	85 071	57 270	10 180	959	1 271	321 130
Net profit/(loss) attributable to ordinary shareholders	(53 637)	27 786	46 221	49 841	(312)	76 104
Transfers between reserves	(3 212)	15	869	–	–	–
Balance at end of the year	28 222	85 071	57 270	50 800	959	397 234
Treasury shares						
Balance at beginning of the year	(7 238)	(7 238)	(2 923)	–	–	–
Treasury shares acquired by the group	–	–	(4 315)	–	–	–
Transfer between reserves	7 238					
Balance at end of the year	–	(7 238)	(7 238)	–	–	–
Equity reserves						
Balance at beginning of year	4 025	4 040	4 040	–	–	–
Transfer between reserves	(4 025)	(15)	–	–	–	–
Balance at end of year	–	4 025	4 040	–	–	–
Foreign Currency Translation Reserve						
Balance at beginning of year	1	87	87	–	–	–
Transfer between reserves	(1)	(86)	–	–	–	–
Balance at end of year	–	1	87	–	–	–
Total	1 241 175	1 294 812	1 267 112	853 702	822 645	822 957

STATEMENT OF CASH FLOWS

		Group			Company		
	Note	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
CASH FLOW FROM OPERATING ACTIVITIES							
Cash receipts from customers		11 301	116 278	93 079	49 841	(312)	(261)
Changes in working capital		13 692	(111 975)	(112 964)	–	–	8
Cash from/(utilised in) operations	22	24 993	4 303	(19 885)	49 841	(312)	(253)
Interest received		20 705	243	1 923	–	–	4
Finance costs		–	–	(2 097)	–	–	–
Taxation (paid)/refunded	21	(705)	(1 193)	(496)	–	–	660
Net cash flow from operating activities		44 993	3 353	(20 555)	49 841	(312)	411
CASH FLOW FROM INVESTING ACTIVITIES							
Acquisition of property, plant and equipment	3	(17 972)	(44 628)	–	–	–	–
Proceeds on disposal of property, plant and equipment	3	115	444	1 345	–	–	–
Acquisition of intangible assets	5	(64)	(347)	(451)	–	–	–
Proceeds on disposal of business assets	25	520 483	–	–	–	–	572
Investments in joint ventures and associates	7	26	(1 852)	(1 648)	–	–	–
Repayments of loans receivable		–	–	3 254		–	–
Dividends received		–	255	236		–	69
Loans made to group entities			–	–		–	(1 052)
Net cash flow from investing activities		502 588	(46 128)	2 736	–	–	(411)
CASH FLOW FROM FINANCING ACTIVITIES							
Re-purchase of shares		–	–	(4 315)		–	–
Movement in loans from group companies		–	–	–	(49 841)	272	
Government grant received		–	16 395	–		–	–
Net cash flow from financing activities		–	16 395	(4 315)	(49 841)	272	–
Total cash movement for the year		547 581	(26 380)	(22 134)	–	(40)	–
Cash and cash equivalents at beginning of the year		44 327	70 707	92 841	(40)	–	–
Cash and cash equivalents at end of the year	12	591 908	44 327	70 707	(40)	(40)	–

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate consolidated financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These consolidated financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

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

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

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. Loans to subsidiaries are considered to be capital contribution to the subsidiary and are not included in the carrying amount the investment.

1.3 Investments in associates

The group has interest of 30.9% in Paarl Valley Bottling Company Proprietary Limited.

Investments in associates are accounted for using the equity method. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Investments in associates in the separate financial statements

In the company's separate financial statements, investments in associates are carried at cost less any accumulated impairment losses. Loans to associates are considered to be capital contribution to the subsidiary and are included in the carrying amount of the investment.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

1.5 **Investment property**

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

1.6 **Property, plant and equipment**

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	**Average useful life**
Buildings	40 years
Machinery and equipment	10 – 50 years
Furniture and fittings	10 years
Motor vehicles	5 – 20 years
Computer equipment	5 years
Art	10 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.7 **Intangible assets**

Computer software:

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring into use the specific software.

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

Item	**Useful life**
Computer software	5 years

1.8 **Financial instruments**

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Financial assets and liabilities measured at amortised cost

Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables:
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

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

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Loans to (from) group companies

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

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise. Derivatives are classified as financial assets at fair value through profit or loss – held for trading.

1.9 **Tax**

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

Tax expenses

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

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

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 **Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessor

The group recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessor

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

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

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

1.11 **Impairment of non-financial assets**

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

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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

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

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

1.12 **Share capital and equity**

Ordinary shares are classified as equity.

Where any group company purchases the company's equity share capital such shares are classified as treasury shares. The consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the group's equity holders until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares in issue.

1.13 **Employee benefits**

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the group is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.14 **Revenue**

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by .

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
  - to the extent that it is probable that they will result in revenue; and
  - they are capable of being reliably measured.

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

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.15 **Reserves**

Common control reserve

This reserve originated when the company acquired fellow subsidiaries, associates and joint venture companies from the former holding company of the La Concorde group at amounts below their book values.

1.16 **Earnings per share**

Earnings per share are calculated by dividing the net profit attributable to shareholders and headline earnings respectively, by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares held by the group as treasury shares.

1.17 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management of the group, who makes strategic decisions.

2. EARNINGS PER SHARE

	Group 2017 R'000 Cents	Group 2016 R'000 Cents	Group 2015 R'000 Cents
Ordinary shares			
Shares issued	68 980	68 980	68 980
Treasury shares	(979)	(979)	(979)
Used in the calculation of earnings per share	68 001	68 001	68 001
Earnings per share			
(Attributable to equity holders of the company)			
– Basic earnings	37.5	(10.3)	67.8
– Diluted earnings	(116.4)	51.2	70.1

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R'000	Machinery and equipment R'000	Computer equipment R'000	Art R'000	Furniture and fittings R'000	Vehicles R'000	Plant under con-struction R'000	Group Total R'000
Year ended 31 March 2015								
Opening carrying value	35 828	158 709	–	–	18 569	3 052	1 311	217 469
Additions/(transfers)	2 108	28 021	–	–	6 698	1 548	(36)	38 339
Disposals	–	(2 017)	–	–	(86)	(18)	–	(2 121)
Depreciation charge	(1 237)	(17 351)	–	–	(7 360)	(312)	–	(26 260)
Carrying value	36 699	167 362	–	–	17 821	4 270	1 275	227 427
At 31 March 2015								
Cost	53 236	456 585	–	–	77 475	11 037	1 275	599 608
Accumulated depreciation	(16 537)	(289 223)	–	–	(59 654)	(6 767)	–	(372 181)
Carrying value	36 699	167 362	–	–	17 821	4 270	1 275	227 427
Year ended 31 March 2016								
Opening carrying value	**36 699**	**167 362**	**–**	**–**	**17 821**	**4 270**	**1 275**	**227 427**
Additions/(transfers)	**8 119**	**29 198**	**1 177**	**201**	**6 425**	**784**	**(1 275)**	**44 629**
Disposals	**–**	**(2 463)**	**–**	**–**	**(161)**	**(79)**	**–**	**(2 703)**
Depreciation charge	**(1 298)**	**(18 970)**	**(228)**	**(17)**	**(6 855)**	**(408)**	**–**	**(27 776)**
Carrying value	**43 520**	**175 127**	**949**	**184**	**17 230**	**4 567**	**–**	**241 577**
At 31 March 2016								
Cost	**61 355**	**483 320**	**1 177**	**201**	**83 739**	**11 742**	**–**	**641 534**
Accumulated depreciation	**(17 835)**	**(308 193)**	**(228)**	**(17)**	**(66 509)**	**(7 175)**	**–**	**(399 957)**
Carrying value	**43 520**	**175 127**	**949**	**184**	**17 230**	**4 567**	**–**	**241 577**
Year ended 31 March 2017								
Opening carrying value	**43 520**	**175 127**	**949**	**184**	**17 230**	**4 567**	**–**	**241 577**
Additions/(transfers)	**4 051**	**10 366**	**77**	**–**	**3 112**	**366**	**–**	**17 972**
Disposals	**(33 368)**	**(165 206)**	**(188)**	**–**	**(15 498)**	**(4 603)**	**–**	**(218 863)**
Classified as investment property	**(953)**	**–**	**–**	**–**	**–**	**–**	**–**	**(953)**
Depreciation charge	**(669)**	**(14 001)**	**(204)**	**(84)**	**(2 635)**	**(228)**	**–**	**(17 821)**
Impairment of assets	**–**	**–**	**–**		**(46)**	**–**	**–**	**(46)**
Carrying value	**12 581**	**6 286**	**634**	**100**	**2 163**	**102**	**–**	**21 866**
Cost	**15 920**	**11 166**	**1 066**	**184**	**3 899**	**448**	**–**	**32 683**
Accumulated depreciation	**(3 339)**	**(4 880)**	**(432)**	**(84)**	**(1 736)**	**(366)**	**–**	**(10 817)**
Carrying value	**12 581**	**6 286**	**634**	**100**	**2 163**	**102**	**–**	**21 866**

4. INVESTMENT PROPERTY

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Investment Property	953		–	–	–	–
Reconciliation Investment Property						
Opening balance	–	–	–	–	–	–
Transfer to Investment property						
Closing balance	953	–	–	–	–	–

The Company engages external, independent and qualified valuators to determine the fair value of the company's investment property at the end of every reporting period.

Investment property is in level 2 of the fair value hierarchy

The investment property has been fairly valued on 14 April 2016 by a suitably qualified and independent valuator with recent experience in similar property in similar areas. The valuation technique used when measuring fair value was comparable sales approach. The valuator analysed the value of property by considering all comparable characteristics and their potential influence on the sales price. The fair value determined was R68 358 000.

5. INTANGIBLE ASSETS

	Trademarks R'000	Computer software R'000	Group Total R'000
Year ended 31 March 2015			
Opening carrying value	15 377	2 587	17 964
Additions	–	451	451
Amortisation charge	(995)	(810)	(1 805)
Carrying value	14 382	2 228	16 610
At 31 March 2015			
Cost or valuation	35 293	14 678	49 971
Accumulated amortisation	(20 911)	(12 450)	(33 361)
Carrying value	14 382	2 228	16 610
Year ended 31 March 2016			
Opening carrying value	**14 382**	**2 228**	**16 610**
Additions	**–**	**347**	**347**
Amortisation charge	**(995)**	**(800)**	**(1 795)**
Carrying value	**13 387**	**1 775**	**15 162**
At 31 March 2016			
Cost or valuation	**35 293**	**15 025**	**50 318**
Accumulated amortisation	**(21 906)**	**(13 250)**	**(35 156)**
Carrying value	**13 387**	**1 775**	**15 162**
Year ended 31 March 2017			
Opening carrying value	**13 387**	**1 775**	**15 162**
Additions	**–**	**66**	**66**
Disposals	**–**	**(1 143)**	**(1 143)**
Impairments	**(13 387)**		**(13 387)**
Amortisation charge	**–**	**(522)**	**(522)**
Carrying value	**–**	**176**	**176**
At 31 March 2017			
Cost or valuation	**35 293**	**13 948**	**49 241**
Accumulated amortisation	**(35 293)**	**(13 772)**	**(49 065)**
Carrying value	**–**	**176**	**176**

6. COMPANY'S INTEREST IN SUBSIDIARY COMPANIES

	Issued share-capital	Effective percentage interest			Company carrying amount		
		2017	2016	2015	2017	2016	2015
	R'000	%	%	%	R'000	R'000	R'000
Golden Kaan South Africa (Pty) Ltd*	0,1	100	100	100	–	–	–
KWV Intellectual Properties (Pty) Ltd*	0,2	100	100	100	–	28 786	28 786
La Concorde International Proprietary Limited – shares	0,5	100	100	100	57 664	57 664	57 664
La Concorde Projects (Pty) Ltd	0,1	100	100	100	–	–	–
La Concorde South Africa (Pty) Ltd – shares	10,1	100	100	100	325 010	325 010	325 010
					382 674	**411 460**	**411 460**

GROUP'S INTEREST IN ASSOCIATES AND JOINT VENTURES

	Group carrying amount			Group carrying amount		
	2017	2016	2015	2017	2016	2015
	%	%	%	R'000	R'000	R'000
Paarl Valley Bottling Company (Pty) Ltd*	30,90	30,90	30,90	13 470	12 734	12 098
Solamoyo Processing (Pty) Ltd*	40,00	40,00	40,00	–	4 340	4 700
Red Dawn IP Holdings (Pty) Ltd*	50,00	50,00	50,00	–	–	–
Red Dawn Wine Licensing (Pty) Ltd*	50,00	50,00	–	–	4	–
Brannas Draught (Pty) Ltd*	25,01	25,01	–	–	1 099	–
				13 470	**18 177**	**16 798**

8. INVENTORY

	Group			Company		
	2017	2016	2015	2017	2016	2015
	R'000	R'000	R'000	R'000	R'000	R'000
Liquid inventory	–	**979 777**	994 079	–	–	–
Auxiliary material	–	**49 339**	41 414	–	–	–
	–	**1 029 116**	1 035 493	–	–	–
Inventory carried at net realisable value						
Cost of inventories recognised as expense and included in "cost of sales"						

9. TRADE AND OTHER RECEIVABLES

Trade receivables	**1 435**	**213 281**	198 670
Less: Provision for impairment	**–**	**(2 372)**	(4 591)
Trade receivables – net	**1 435**	**210 909**	194 079
Other receivables	**8**	**11 540**	16 060
	1 443	**222 449**	210 139

10. DEFERRED TAX

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Deferred tax liability						
Capital allowances	(908)	(44 064)	(43 275)	–	–	–
Inventory revaluation	–	(23 019)	(34 528)	–	–	–
Provisions and accruals	72	5 977	8 843	–	–	–
Computed taxation losses	(57)	8 064	24 200	–	–	–
Total deferred tax liability	**(893)**	**(53 042)**	**45 090**	**–**	**–**	**–**
The amounts disclosed in the statement of financial position are as follows:						
Group companies with a net deferred tax liability	(893)	(53 042)	(45 000)	–	–	–
Group companies with a net deferred tax asset	–	–	–	–	–	–
Total net deferred tax liability	**(893)**	**(53 042)**	**(44 925)**	**–**	**–**	**–**
Reconciliation of deferred tax asset (liability)						
At beginning of year	(53 042)	(44 925)	(28 579)	–	–	–
Change in capital gains tax rate	–	(19)	–	–	–	–
Charged against profit or loss – Continuing operations	3 585	(8 098)	(16 511)	–	–	–
Charged against profit or loss – Discontinued operations	48 564	–	–	–	–	–
	(893)	**(53 042)**	**(45 090)**		**–**	

11. LOANS TO GROUP COMPANIES

La Concorde South Africa (Pty) Ltd		**–**	**–**	**471 399**	**411 678**	**498 400**

12. CASH AND CASH EQUIVALENTS

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Bank balances	591 908	44 327	70 707	–	–	–

13. LOANS RECEIVABLE

Promissory notes receivable						
within one year	218 896	–	–	–	–	–
in second to fifth year inclusive	495 194	–	–	–	–	–
	714 090	–	–	–	–	–
Less: Unearned finance income	(83 123)	–	–	–	–	–
	630 967	**–**	**–**	**–**	**–**	**–**
Non-current assets	420 819	–	–	–	–	–
Current assets	210 148	–	–	–	–	–
	630 967	**–**	**–**	**–**	**–**	**–**

14. SHARE CAPITAL

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Shares authorised						
200 000 000 Ordinary profit-sharing shares of R0,00001 each	**2**	**2**	**2**	**2**	**2**	**2**
Shares issued						
68 980 374 (2015: 68 980 374) ordinary profit-sharing shares of R0,00001 each	**1**	**1**	**1**	**1**	**1**	**1**

15. TRADE AND OTHER PAYABLES

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Trade payables	3 204	98 416	105 826	–	–	–
Amounts received in advance	324	–	–	–	–	–
Deposits received	368	–	–	–	–	–
Excise duty payable	–	45 422	124 654	–	–	–
Other payables and accruals	391	37 279	36 822	371	493	453
	4 287	181 117	267 302	371	493	453

16. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

GROUP	Financial liabilities at amortised cost R'000	Financial liabilities at fair value through profit and loss R'000	Total R'000
31 March 2017			
Trade and other payables	4 287	–	4 287
31 March 2016			
Trade and other payables	133 979	–	133 979
Derivative financial instruments – Level 2	–	47 424	47 424
	133 979	47 424	181 403
31 March 2015			
Trade and other payables	140 672	–	140 672
Derivative financial instruments – Level 2	–	1 585	1 585
	140 672	1 585	142 257

COMPANY	Financial liabilities at amortised cost R'000	Total R'000
31 March 2017		
Trade and other payables	371	371
31 March 2016		
Trade and other payables	493	493
31 March 2015		
Trade and other payables	453	453

Fair value hierarchy:
Level 1 – Quoted prices in active markets for the same instrument.
Level 2 – Valuation techniques for which significant inputs are based on observable market data.
Level 3 – Valuation techniques for which any significant input is not based on observable market data.
Valuation techniques used to determine fair values:

17. REVENUE

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Turnover	**–**	**–**	877 277	–	–	–
Rental income	**4 157**	**3 397**				
Recoveries	**3 998**	**–**	270 634	–	–	–
	8 155	**3 397**	1 147 911	–	–	–

18. OPERATING LOSS

	Group			Company		
			Restated			
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Operating loss for the year is stated after charging (crediting) the following, amount others:						
Auditors' remuneration						
Audit fees – provision for the current year	967	1660	1 540	160	274	234
Audit fees – under provision of prior year	–	14	3	–	38	27
Other audit services	–	100	428	–	–	–
	967	1774	1 971	–	312	261

19. INVESTMENT INCOME

	Group			Company		
			Restated			
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Income from associates						
Paarl Valley Bottling Company	736	892	–	–	–	–
Interest received						
Investments and deposits	20 986	–	–		–	–
Promissory notes	25 723					
Bank and other financial assets	109	–	3	1	–	4
Other		–	8		–	4
	47 554	–	11		–	8
Finance costs						
Borrowings: current		**1 620**	2 097		–	–
		1 620	2 097		–	–
Net finance income and cost						
		(1 620)	(2 086)		–	8

20. INCOME TAX

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Major components of the tax (income) expense						
Continuing operations						
Current						
Local income tax for current period	14 510	1 185	0	0	0	1
Deferred						
Originating and reversing temporary differences	(3 585)	(4 254)	0	0	0	0
Taxation for the year continuing operations	10 925	(3 069)	0	0	0	1
Discontinued operations						
Deferred						
Originating and reversing temporary differences	(46 730)	12 371	0	0	0	0
Overprovision previous year	(1 834)	0	0	0	0	0
Taxation for the year discontinued operations	(48 564)	12 371	0	0	0	0
Taxation for the year	(37 639)	9 302	0	0	0	1

20. INCOME TAX (CONTINUED)

Reconciliation of the tax rate	%	%	%	%	%	%
Normal rate for companies	**28.00**	**28.00**	**28.00**	**28.00**	**28.00**	**28.00**
Adjusted for:						
– Deferred tax not raised on losses	0.05	–	(0.21)	0.09	–	(28.14)
– S12 Learnership agreement deductions	0.04	–	(0.69)	–	–	–
– Change in capital gains rate of taxation	(0.09)	–	–		–	–
– Income from associates	0.82	(0.18)	0.05	–	–	–
– Income of a capital nature	–	(3.04)	(0.28)	–	–	–
– Capital losses and non-deductable expenses	11.29	(1.38)	0.25	(28.00)	(28.00)	0.10
– Adjustment for foreign taxation	–	1.77	0.45	–	–	–
– Changes in rate of taxation	–	0.05	–	–	–	–
– Consolidation adjustments	–	(0.14)	–	–	–	–
– Overprovision previous years	(0.08)	–	(0.11)	–	–	–
Net reduction	12.03	(2.92)	(0.54)	(27.91)	(28.00)	(28.04)
Effective rate	40.03	25.08	27.46	0.09	–	(0.04)

	R'000	R'000	R'000
Gross calculated tax losses available for utilisation against future taxable income	203	36 789	85 840
Tax relief calculated at current tax rates	57	10 301	24 035
Utilised to reduce deferred taxation	(57)	(10 301)	(24 035)
Tax relief available for offset against future taxation	–	–	–

21. TAXATION (PAID)/REFUNDED

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Balance at beginning of year	43	35	687	–	–	661
Accounted for in the statement of comprehensive income	(61 900)	(9 302)	(17 494)	–	–	(1)
Adjustment for businesses sold and acquired	46 724	8 117	–	–	–	–
Adjustment for deferred taxation	–	–	16 346	–	–	–
Balance at end of year	14 428	(43)	(35)	–	–	–
	(705)	(1 193)	(496)	–	–	660

22. CASH FROM/(UTILISED IN) OPERATIONS BEFORE CHANGES IN WORKING CAPITAL

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Profit/(loss) before taxation	(53 639)	37 088	63 715	49 841	(312)	76 105
Adjusted for:						
– Share of profits from associates and joint ventures	(736)	(239)	(1 579)	–	–	–
– Net finance expense/(income)	(46 535)	(266)	174	–	–	(4)
– Dividends received	–	–	–	–	–	(76 613)
– Impairment of property plant and equipment	1 775	–	–	–	–	–
– Impairment of investment in joint venture	85	400	903	–	–	–
– Non-cash movement on loans to subsidiaries and associates	–	479	(169)	–	–	–
– Depreciation and amortisation	18 202	27 775	28 065	–	–	–
– Amortisation of intangible assets	–	1 795	–	–	–	–
– Unrealised exchange rate (gains)/losses	(50 304)	31 235	(20 089)	–	–	–
– Loss on sale of property, plant and equipment	191 030	2 260	776	–	–	–
– Bad debts recovered and written off	–	(1 580)	(617)	–	–	–
– Inventory written off	–	20 951	21 900	–	–	–
– Government grant recognised in profit or loss	(12 775)	(3 620)	–	–	–	–
– Taxation	(35 802)	–	–	–	–	–
– Loss on disposal of subsidiary	–	–	–	–	–	251
	11 301	116 278	93 079	49 841	(312)	(261)
CHANGES IN WORKING CAPITAL *(Excluding the effects of acquisitions, disposals and exchange differences on consolidation)*						
Change in inventory	(23 813)	(14 574)	(54 686)	–	–	–
Change in trade and other receivables	8 485	(10 730)	3 216	–	–	–
Change in trade and other payables	29 020	(86 671)	(61 494)	–	–	8
	13 692	**(111 975)**	**(112 964)**	**–**	**–**	**8**
CASH GENERATED FROM OPERATIONS	**24 993**	**4 303**	**(19 885)**	**49 841**	**(312)**	**(253)**

23. PROFITS AND (LOSSES) FROM DISCONTINUED OPERATIONS

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Revenue	566 898	1 224 214	–	–	–	–
Cost of sales	(485 173)	(852 837)	–	–	–	–
Other income	–	11 424	–	–	–	–
Other gains and (losses)	–	(42 290)	–	–	–	–
Operating expenses	(16 045)	(292 969)	–	–	–	–
Share profit of associates	–	(653)	–	–	–	–
Impairment of investments in joint ventures	(85)	–	–	–	–	–
Interest received	411	1 886	–	–	–	–
Finance costs	(688)	(1 620)	–	–	–	–
Loss on disposal of business assets	(191 222)	–	–	50 000	–	–
Net (loss) profit before tax	(125 904)	47155	–	50 000	–	–
(Loss) profit from discontinued operations	(79 174)	34 784	–	50 000	–	–
Items that may be reclassified subsequently to profit or loss	–	–	–	–	–	–
Foreign currency translation differences	(1)	(86)	–	–	–	–
	(79 175)	34 698	–	50 000	–	–

25. NET CASH FLOW ON DISPOSAL AND ANALYSIS OF ASSETS AND LIABILITIES

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Assets						
Property plant and equipment	217 920	–	–	–	–	–
Intangible assets	14 302	–	–	–	–	–
Investment in associates	5 463	–	–	–	–	–
Trade and other receivables	212 416	–	–	–	–	–
Derivative financial instruments	25 594	–	–	–	–	–
Bank and cash balances	54 517	–	–	–	–	–
Inventory	1 052 928	–	–	–	–	–
Current income tax assets	7	–	–	–	–	–
Liabilities						
Trade and other payables	(205 637)	–	–	–	–	–
Borrowings	(51)	–	–	–	–	–
Derivative financial instruments	(5 992)	–	–	–	–	–
Net asset value						
Consideration paid	**1 371 467**	**–**	**–**	**–**	**–**	**–**
– Cash consideration	(575 000)	–	–	–	–	–
– Fair value of promissory notes at date of issue	(605 245)	–	–	–	–	–
Loss on re-measurement	**(191 222)**	–	–	–	–	–
Cash balances disposed of	(54 517)	–	–	–	–	–
Cash consideration received	575 000	–	–	–	–	–
Net cash received	**520 483**	**–**	**–**	**–**	**–**	**–**

26. RELATED PARTIES TRANSACTIONS

	Group			Company		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Loan accounts – Owing by related parties						
La Concorde South Africa Proprietary Limited	–	–	–	471 399	411 678	–
Amounts included in Trade Payable regarding related parties						
Niveus Investments Limited	992	1	–	–	–	–
Niveus Managerial Services Proprietary Limited	71	93	–	–	–	–
Vukani Gaming Corporation Proprietary Limited	986	(396)	–	–	–	–
Related party transactions						
Profit from associates						
Paarl Valley Bottling Company Proprietary Limited	736	239	–	–	–	–
Sales of goods and services to related parties						
Vukani Gaming Corporation Proprietary Limited	1 661	2 772	1 665	–	–	–
Galaxy Bingo Proprietary Limited	1 735	2 394	1 665	–	–	–
Tsogo Sun Holdings Limited	175	267	374	–	–	–
HCI Managerial Services Proprietary Limited	0	33	164	–	–	–
Paarl Valley Bottling Company Proprietary Limited	63	11	–			
Purchase of goods and services to related parties						
Niveus Investments Limited	3 437	3 286	3 017	–	–	–
Niveus Managerial Services Proprietary Limited	341	528	1 095	–	–	–
HCI Managerial Services Proprietary Limited	296	321	–	–	–	–
Paarl Valley Bottling Company Proprietary Limited	989	1 664	175	–	–	–
Compensation to directors and other key management						
Remuneration paid	3 437	10 220	16774	–	–	–

27. DIRECTORS' EMOLUMENTS

	Salaries and fees R'000	Retirement Contributions R'000	Gains from share options R'000	Performance incentive R'000	Other allowances R'000	Total R'000
31 March 2017						
Executive						
A van der Veen	4 217	–	20 636	2 741	839	28 433
M Loftie-Eaton	1 827	–	6 085	1 188	45	9 145
D Smit	582	32	–	150	140	904
AW Eksteen	354	31	–	20	113	518
Less Amounts paid by HCI	(6 044)	–	(26 721)	(3 929)	(884)	(37 578)
	936	63	–	170	253	1 422
Non-Executive						
F Du Plesis	110	–	–	–	–	110
NL Ellis	90	–	–	–	–	90
MJA Golding	100	–	–	–	–	100
JA Copelyn	90	–	–	–	–	90
MM Mhlarhi	60	–	–	–	–	60
KI Mampeule	60	–	–	–	–	60
MN Joubert	60	–	–	–	–	60
LA van Dyk	73	–	–	–	–	73
	643	–	–	–	–	643
31 March 2016						
A van der Veen	3 970	–	10 599	1 548	744	16 861
D Smit	1 344	191	–	–	6	1 541
AW Eksteen	936	156	–	–	5	1 097
Less Amounts paid by HCI	(760)	–	(10 599)	(1 548)	(744)	(13 651)
	5 490	347	–	–	11	5 848
Non-Executive						
F Du Plesis	120	–	–	–	–	120
NL Ellis	90	–	–	–	–	90
MJA Golding	150	–	–	–	–	150
JA Copelyn	91	–	–	–	–	91
MM Mhlarhi	45	–	–	–	–	45
KI Mampeule	90	–	–	–	–	90
MN Joubert	90	–	–	–	–	90
KR Moloko (resigned 22 May 2015)	23					23
LA van Dyk	110	–	–	–	–	110
	809	–	–	–	–	809

28. COMMITMENTS

		Group	
	2017 R'000	2016 R'000	2015 R'000
Capital commitments			
Incomplete contracts for capital expenditure	–	2 586	3 292
Capital expenditure authorised by the board not yet contracted for	3 472	38 785	36 327
	3 472	41 371	39 619

This capital expenditure will be financed from own resources and borrowings.

29. SEGMENTS

No additional segments to report on other than the income received from property rental.

30. EVENT AFTER THE REPORTING DATE

The company declared an ordinary dividend of 550 cents per share and a special dividend of 50 cents per share resulting in a total dividend of R1 per share paid on 19 June 2017.

31. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Due to significant cash instruments, movements in market interest rates influences income. Interest rate risk is managed by the Group treasury function by using approved counterparties that offer the best rates.

At 31 March the Group's interest-bearing financial instruments were bank balances and promissory notes. Promissory notes carry interest at a fixed interest rate of 8.5% annually compounded.

Fair value sensitivity analysis for variable rate instruments:

A change of 100 basis points in the interest rate received on bank balances would have increased or decreased profit after tax by approximately R2.1 million.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

EXTRACTS OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION OF LA CONCORDE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

LA CONCORDE HOLDINGS LIMITED (REGISTRATION NUMBER 2009/012871/06) GROUP INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

INTRODUCTION

The interim financial information for the six months ended 30 September 2017 of La Concorde Holdings Limited and its subsidiary are set out below and should be read in conjunction with the audited annual financial statements of La Concorde Holdings Limited and its subsidiary for the periods ended 31 March 2015, 31 March 2016 and 31 March 2017.

The interim financial information for the six months ended 30 September 2017 of La Concorde Holdings Limited and its subsidiaries is the responsibility of the Directors of La Concorde Holdings Limited and its subsidiaries.

Consolidated Statement of Financial Position

	30 September 2017 *Unaudited* R'000	30 September 2016 *Unaudited* R'000	31 March 2017 *Audited* R'000
ASSETS			
Non-current assets	**486 812**	**38 762**	**457 284**
Property, plant and equipment	23 895	25 343	21 866
Investment Property	952	–	953
Intangible assets	160	–	176
Interest in associates and joint ventures	15 263	13 419	13 470
Loans receivable	446 542	–	420 819
Current assets	**737 287**	**89**	**803 499**
Trade and other receivables	3 130	–	1 443
Loans receivable	210 148	–	210 148
Taxation	–	89	–
Cash and cash equivalents	524 009	–	591 908
Disposal Group	–	1 391 925	–
Total assets	**1 224 099**	**1 430 776**	**1 260 783**
EQUITY AND LIABILITIES			
Equity	**1 205 582**	**1 211 415**	**1 241 175**
Share capital	1	1	1
Share premium	425 722	425 722	425 722
Retained Earnings	779 859	785 692	815 452
Non-current liabilities	**893**	**3 757**	**893**
Deferred taxation	893	3 757	893
Current liabilities	**17 624**	**3 924**	**18 715**
Trade and other payables	4 863	3 924	4 287
Loans from group companies	243	–	–
Taxation	12 518	–	14 428
Disposal Group	–	211 680	–
Total equity and liabilities	**1 224 099**	**1 430 776**	**1 260 783**

Consolidated Statement of Profit or Loss

	30 September 2017 Unaudited R'000	30 September 2016 Unaudited R'000	31 March 2017 Audited R'000
Revenue	4 402	1 992	5 345
Other Income	3 139	–	2 810
Operating expenses	(10 327)	(7 985)	(15 309)
Depreciation and amortisation	(1 380)	(755)	(2 157)
Share of profit of associates	2 056	731	736
Investment income	47 034	–	46 818
Impairment of assets	–	–	(1 775)
Finance costs	(7)	–	(5)
Profit before taxation	**44 917**	**(6 017)**	**36 463**
Taxation	(12 509)	1 889	(10 925)
Profit/(loss) for the year from continuing operations	**32 408**	**(4 128)**	**25 538**
Net result from discontinued operations	–	(79 269)	(79 175)
(Loss)/profit for the year	**32 408**	**(83 397)**	**(53 637)**
Earnings per share			
Number of shares issued	68 980	68 980	68 980
Treasury shares	(979)	(979)	(979)
Used in the calculation of earnings per share	**68 001**	**68 001**	**68 001**
Reconciliation of headline earnings			
Profit/(loss) for the period	32 408	(83 397)	(53 637)
Change in foreign currency translation reserve	–	95	1
Net profit/(loss) attributable to ordinary shareholders	32 408	(83 302)	(53 636)
Adjusted for:			
Loss on disposal	–	125 347	125 347
Impairment of investment in joint venture	–	66	85
Impairment of assets	–	–	1 278
Loss on sale of property plant and equipment	–	431	(142)
Headline earnings	**32 408**	**42 542**	**72 932**
Continued operations	32 408	(4 128)	26 816
Discontinued operations	–	46 670	46 116
(Attributable to equity holders of the company)			
Basic earnings (cents per share)	47,7	(122,5)	(78,9)
– Continuing operations (cents per share)	47,7	(6,1)	37,5
– Discontinued operations (cents per share)	–	(116,4)	(116,4)
Headline earnings (cents per share)	47,7	62,5	107,2
– Continuing operations (cents per share)	47,7	(6,1)	39,4
– Discontinued operations (cents per share)	–	68,6	67,8

Consolidated Statement of Cash Flows

	30 September 2017 Unaudited R'000	30 September 2016 Unaudited R'000	31 March 2017 Audited R'000
Cash flows from operating activities	**1 544**	**29 015**	**44 993**
Cash generated (utilised) by operations	(2 785)	15 651	11 301
Changes in working capital	(2 555)	14 354	13 692
Cash generated (utilised) by operating activities	(5 340)	30 005	24 993
Investment income	21 311	411	21 398
Finance Costs	(7)	(688)	(693)
Taxation paid	(14 420)	(713)	(705)
Cash flows from investing activities	**(3 129)**	**(18 825)**	**502 588**
Associated companies and joint ventures	264	26	26
Additions of property, plant and equipment	(3 402)	(18 902)	(17 972)
Proceeds on disposal of property, plant and equipment	9	115	115
Intangible assets acquired	–	(64)	(64)
Disposal of business assets	–	–	520 483
Cash flows from financing activities	**(66 314)**	**–**	**–**
Increase in loans from group companies	243	–	–
Dividends paid	(66 557)	–	–
Cash and cash equivalents			
Movements	(67 899)	10 190	547 581
At beginning of year	591 908	44 327	44 327
At end of year	**524 009**	**54 517**	**591 908**

Consolidated Statement of Changes in Equity

	30 September 2017 Unaudited R'000	30 September 2016 Unaudited R'000	31 March 2017 Audited R'000
Share capital			
Balance at beginning and end of the year	**1**	1	1
Share premium			
Balance at beginning and end of the year	**425 722**	**425 722**	**425 722**
Reserves			
Common control reserve			
Balance at beginning and end of the year	**787 230**	787 230	787 230
Retained earnings			
Balance at beginning of the year	**28 222**	85 071	85 071
Net profit / (loss) attributable to ordinary shareholders	**32 408**	(83 302)	(53 637)
Transfer between reserves	**–**	–	(3 212)
Equity accounted earnings transferred to equity reserve	**–**	(731)	–
Dividends paid	**(68 001)**	–	–
Balance at end of the year	**(7 371)**	1 038	28 222
Treasury shares			
Balance at beginning of the year	**–**	(7 238)	(7 238)
Transfer between reserves			7 238
Balance at end of the year	**–**	**(7 238)**	**–**
Equity reserve			
Balance at beginning of the year	**–**	4 025	4 025
Transfer of equity accounted earnings from retained earnings	**–**	731	(4 025)
Balance at end of the year	**–**	4 756	–
Currency translation reserve			
Balance at beginning of the year	**–**	1	1
Movement during the year	**–**	(95)	(1)
Balance at end of the year	**–**	(94)	–
Total reserves at end of the year	**779 859**	**785 692**	**815 452**
Equity at end of the year	**1 205 582**	**1 211 415**	**1 241 175**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the six months ended 30 September 2017 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 2017. The adoption of new standards that are applicable for this financial year had no impact on the figures presented. Details of the standards adopted will be provided in the annual financial statements. These financial statements were prepared under the supervision of the financial director, Ms Muriel Loftie-Eaton CA(SA).

2. SEGMENT ANALYSIS

	30 September 2017 Unaudited R'000	30 September 2016 Unaudited R'000	31 March 2017 Audited R'000
Functional analysis of revenue	4 402	1 992	5 345

3. EVENTS AFTER REPORTING PERIOD

No material events which may have a significant influence on the financial position of the group occurred between the date of the financial period and the date of approval of the financial statements.

4. COMMENTARY

The assets of La Concorde mainly comprise property, art, cash and cash equivalents from the sale proceeds of its operational assets to Warshay Investments Proprietary Limited in October 2016. In the group's previous announcement and at the Annual General Meeting of Shareholders it was indicated prospects for the future was being assessed, in particular how the cash resources would be deployed.

On 14 September 2017 it was announced that La Concorde, through a subsidiary ("Newco"), intended to acquire Golden Arrow Bus Services Proprietary Limited ("GABS") from Hosken Consolidated Investments Limited ("HCI") for approximately R1.8bn. Newco will be capitalised with R1.1bn of cash and/or cash equivalents by La Concorde and the purchase consideration for the transaction will be settled by the issue of shares in Newco to HCI. On completion, La Concorde will own approximately 38% of Newco and HCI 62%. The transaction is *inter alia* subject to the conclusion of transaction agreements, the positive completion of a due diligence and Niveus Investments Limited ("Niveus") shareholder approval.

Following a distribution of cash by Newco, it is proposed that Newco will be listed on the JSE by April 2018 and that the listed Newco shares will be distributed to the La Concorde shareholders subsequent to listing. It is anticipated that Niveus will distribute the Newco shares to its shareholders subsequent to the unbundling of the shares by La Concorde. Shareholders are referred to the transaction announcement by its controlling shareholder, Niveus, at www.niveus.co.za for more information.

The group is continuing its efforts to extract value from its property holdings, either by developing the properties on its own or partnering with other developers.

Overview of the results for the period

The income for the period mainly consisted of interest income on the cash and cash equivalents, rental income and recovery of utilities from the properties in the group. Other expenses include management fees and salaries, utilities and maintenance expenditure of the properties.

Dividends

The board has resolved to review the payment of a dividend after the implementation of the GABS transaction.

INFORMATION

La Concorde Holdings Limited

Registration number:	2009/012871/06
Directors:	F-A du Plessis, NL Ellis, A van der Veen, JA Copelyn, MM Loftie-Eaton, Y Shaik
Company Secretary:	HCI Managerial Services Proprietary Limited
Registered office:	La Concorde Building, 57 Main Street, Paarl, 7646
Website:	www.laconcordeholdings.co.za
Transfer Secretaries:	Computershare Investor Services

PRO FORMA FINANCIAL INFORMATION OF LA CONCORDE

LA CONCORDE HOLDINGS LIMITED

***PRO FORMA* FINANCIAL INFORMATION OF THE COMPANY**

The *pro forma* financial information of La Concorde is set out below. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income of La Concorde have been prepared for illustrative purposes only to show the financial effects of the Unbundling. Due to the nature of the *pro forma* financial information, the *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income may not fairly present La Concorde's financial position, changes in equity, results of operations or cash flows after the Unbundling has been implemented.

The *pro forma* financial information as at 30 September 2017 is presented in a manner that is consistent with the accounting policies of La Concorde, IFRS and the basis on which the historical financial information has been prepared. The financial information has been prepared in accordance with the JSE Listings Requirements and in compliance with the SAICA Guide on *pro forma* Financial Information. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income as set out below should be read in conjunction with the report of the Independent Reporting Accountant which is included as **Annexure 6** to this Circular.

The Independent Board of La Concorde is responsible for the preparation of the *pro forma* financial information.

It has been assumed for the purposes of the *pro forma* financial effects that the Unbundling took place with effect from 1 April 2017 for purposes of the *pro forma* consolidated statement of comprehensive income and on 30 September 2017 for purposes of the *pro forma* consolidated statement of financial position.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2017

The *pro forma* consolidated statement of comprehensive income presented below was prepared on the assumption that the Unbundling was implemented on 1 April 2017.

	La Concorde unaudited interim financial information R'000	*Pro forma* adjustment – the GABS Acquisition R'000	*Pro forma* adjustment cash distribution – Newco Cash Distribution R'000	*Pro forma* adjustment – Unbundling R'000	*Pro forma* financial information post Unbundling R'000
	Note 1	Note 2	Note 3	Note 4	Note 5
Revenue	4 402	–	–	–	4 402
Other Income	3 139	–	–	–	3 139
Operating expenses	(10 327)	–	–	(905)	(11 232)
	(2 786)	–	–	(905)	(3 691)
Depreciation and amortisation	(1 380)	–	–	–	(1 380)
Share of income of associates and joint ventures	2 056	46 409	–	(46 409)	2 056
Investment income	47 034	(47 034)	–	–	–
Finance costs	(7)	–	–	–	(7)
Profit/(loss) before taxation	44 917	(625)	–	(47 314)	(3 022)
Taxation	(12 509)	13 170			661
Profit for the year from continuing operations	32 408	12 545	–	(47 314)	(2 361)
Net result from discontinued operations	–	–			–
Profit/(loss) for the period	32 408	12 545	–	(47 314)	(2 361)
Reconciliation of headline earnings	**Net**				
Continuing operations					
Earnings attributable to equity holders of the parent	32 408	12 545	–	(47 314)	(2 361)
IAS 16 Gains on disposal of plant and equipment		(174)	–	174	–
IAS 16 Impairment of assets		–	–	–	–
IAS 27 Gains from disposal of subsidiaries		–	–	–	–
IAS 28 Impairment of investments in associates		–	–	–	–
	32 408	12 371	–	(47 140)	(2 361)
Earnings per share (cents)	47.7	18.4	0.0	(69.6)	(3.5)
Headline earnings per share (cents)	47.7	18.2	0.0	(69.3)	(3.5)
Diluted earnings per share (cents)	47.7	18.4	0.0	(69.6)	(3.5)
Diluted headline earnings per share (cents)	47.7	18.2	0.0	(69.3)	(3.5)
Weighted average number of shares in issue ('000)	68 001	68 001	68 001	68 001	68 001
Actual number of share in issue at end of year ('000)	68 001	68 001	68 001	68 001	68 001
Weighted average number of shares in issue (diluted) ('000)	68 001	68 001	68 001	68 001	68 001

Notes to the pro forma condensed consolidated statement of comprehensive income:

Note 1:

The La Concorde unaudited interim financial information has been extracted, without adjustment, from La Concorde's unaudited results for the 6-month period ended 30 September 2017.

Note 2:

The GABS Acquisition:

Newco acquires GABS for a purchase consideration of approximately R1 800 000 000, which results in HCI being issued with approximately 62% of the issued share capital of Newco of 180 shares of no par value and La Concorde retaining an interest of approximately 38% of the issued share capital of Newco.

The transaction results in Newco changing from a subsidiary of La Concorde to an associate. La Concorde equity accounts for its portion of the HPLR and GABS profits and losses attributable to shareholders.

Investment income to the amount of R47 034 000 is derecognised, along with tax of R13 169 520 as the investment in subsidiary (Newco) changes to an investment in associate. Investment income earned by Newco after tax amounting to R12 868 502 is recognised as part of La Concorde's share of income of associates and joint ventures.

La Concorde's share of income of associates and joint ventures further includes its share of profits and losses from GABS and HPLR for the 6 months ended 30 September 2017 which amounts to R33 540 360. These adjustments are considered to have a continuing effect.

Once off transaction costs of R2 740 000 have been accounted for and have been capitalised as part of the investment in associate.

Note 3:

Cash distribution

The declaration and payment by Newco of a cash dividend of approximately R650 m to Newco Shareholders, *pro rata* to their respective shareholdings in Newco;

La Concorde then on pays its portion of the cash dividend amounting to approximately R247 m so received, to the La Concorde shareholders, *pro rata* to their respective shareholding in La Concorde.

The cash distribution has no effect on the statement of comprehensive income.

Note 4:

Newco Shares held by La Concorde after the implementation of the GABS Acquisition, comprising 38% of the total issued share capital of Newco, which will be distributed to Shareholders by La Concorde in terms of the Unbundling;

The effect is that there is no longer an investment in associate and therefore equity accounted share of income of associates and joint ventures is reversed.

Transaction costs amounting to R905 000 have been expensed.

Note 5:

Pro forma financial information post the unbundling of Newco.

General

Throughout the *pro forma*'s an income tax rate of 28% has been assumed.

PRO FORMA STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 SEPTEMBER 2017

The *pro forma* consolidated statement of financial position presented below was prepared on the assumption that the Unbundling was implemented on 30 September 2017

	La Concorde unaudited interim financial information R'000	*Pro forma* adjustment – the GABS Acquisition R'000	*Pro forma* adjustment cash distribution – Newco Cash Distribution R'000	*Pro forma* adjustment – Unbundling R'000	*Pro forma* financial information post Unbundling R'000
	Note 1	**Note 2**	**Note 3**	**Note 4**	**Note 5**
ASSETS					
Non-current assets	486 812	656 198	(247 041)	(855 699)	40 270
Property, plant and equipment	23 895	–	–	–	23 895
Investment properties	952	–	–	–	952
Goodwill	–	–	–	–	–
Intangible assets	160	–	–	–	160
Investment held for sale	–	–	–	–	–
Interest in associates and joint ventures	15 263	1 102 740	(247 041)	(855 699)	15 263
Deferred taxation	–	–	–	–	–
Loans receivable	446 542	(446 542)	–	–	–
Current assets	737 287	(656 198)	–	(905)	80 184
Trade and other receivables	3 130	–	–	–	3 130
Loans receivable	210 148	(210 148)	–	–	–
Taxation	–	–	–	–	–
Cash and cash equivalents	524 009	(446 050)	–	(905)	77 054
Assets of disposal group classified as held for sale	**–**	**–**			
Total assets	**1 224 099**	**–**	**(247 041)**	**(856 604)**	**120 454**
EQUITY AND LIABILITIES					
Equity	1 205 582	–	(247 041)	(856 604)	101 937
Share capital	1	–	–	–	1
Share premium	425 722	–	–	–	425 722
Retained Earnings	779 859	–	(247 041)	(856 604)	(323 786)
Non-current liabilities	893	–	–	–	893
Deferred taxation	893	–	–	–	893
Current liabilities					
Trade and other payables	4 863	–	–	–	4 863
Loans from group companies	243	–	–	–	243
Taxation	12 518	–	–	–	12 518
	17 624	–	–	–	17 624

Notes to the pro forma condensed consolidated statement of financial position:

Note 1:
The La Concorde unaudited interim financial information has been extracted, without adjustment, from La Concorde's unaudited results for the 6-month period ended 30 September 2017.

Note 2:
The GABS Acquisition

Newco acquires GABS for a purchase consideration of approximately R1 800 000 000, which results in HCI being issued with approximately 62% of the issued share capital of Newco of 180 shares of no par value and La Concorde retaining an interest of approximately 38% of the issued share capital of Newco.

The transaction results in Newco changing from a subsidiary of La Concorde to an associate, and as a result, La Concorde has to account for an investment in associate at fair value, with the fair value of the investment in associate at recognition date being determined as R1 100 000 000, with the purchase consideration being settled through delegation of receivables to the amount of R656 690 000 and cash of R443 310 000.

Once off transaction cost of R2 740 000 have been accounted for and have been capitalised as part of the investment in associate.

Note 3:
Cash distribution

The declaration and payment by Newco of a cash dividend of approximately R650 m to Newco Shareholders, *pro rata* to their respective shareholdings in Newco;

La Concorde then on pays its portion of the cash dividend amounting to approximately R247 m so received, to the La Concorde shareholders, *pro rata* to their respective shareholding in La Concorde.

This has the net effect at a La Concorde level of a reduction in the investment in associate, and a reduction in equity in respect of the cash distribution.

Note 4:
Newco Shares held by La Concorde after the implementation of the GABS Acquisition, comprising 38% of the total issued share capital of Newco, which will be distributed to Shareholders by La Concorde in terms of the Unbundling;

Transaction costs amounting R905 000 have been expensed.

Note 5:
Pro forma financial information post the unbundling of Newco.

General
Throughout the *pro forma*'s an income tax rate of 28% has been assumed.

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

The Board of Directors
La Concorde Holdings Limited
57 Main Street
Paarl
7646
15 February 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF LA CONCORDE HOLDINGS LIMITED ("LA CONCORDE")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of La Concorde by the Directors. The *pro forma* financial information, in **Annexure 5** of the La Concorde Circular to be issued on or about 21 February 2018 ("the Circular"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information is required to be presented in terms of the Fundamental Transactions and Takeover Regulations published in terms of the Companies Act ("the Regulations") and has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements, as accepted by the Takeover Regulation Panel.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in **Annexure 5**, on La Concorde's financial position as at 30 September 2017 and La Concorde's financial performance for the period then ended, as if the corporate action or event had taken place at 30 September 2017 for purposes of statement of financial position and at 1 April 2017 for purposes of statement of comprehensive income. As part of this process, information about La Concorde's financial position and financial performance has been extracted by the Directors from La Concorde's unaudited interim financial information for the period ended 30 September 2017.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the Listings Requirements and described in **Annexure 5** and as described in the notes to the consolidated *pro forma* statement of financial position and *pro forma* statement of comprehensive income.

Our independence and quality control

We have complied with the independence and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

Reporting accountants' responsibility

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

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

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

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

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the Listings Requirements, the Companies Act, the Regulations and as described in **Annexure 5**.

Consent

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

Grant Thornton
Chartered Accountants (SA)
Registered Auditors

Per: Robyn Fridberg
Reporting Accountant
Chartered Accountant (SA)

LA CONCORDE

LA CONCORDE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2009/012871/06)
(“**La Concorde**” or “**the Company**”)

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached, shall bear the same meanings where used in this Notice of General Meeting.

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders will be held at La Concorde, 57 Main Street, Paarl, on Friday, 23 March 2018 at 10h00, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

Notes:

- *For a special resolution to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on such resolution in terms of section 65(9) of the Companies Act and La Concorde’s MOI.*
- *For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on such resolution.*

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE UNBUNDLING IN TERMS OF THE COMPANIES ACT

IT IS RESOLVED AS A SPECIAL RESOLUTION that the unbundling of the Distribution Shares to Shareholders, by way of a distribution *in specie pro rata* to their respective shareholdings in La Concorde in the ratio of 1.59466 Distribution Shares for every 1 Share held by any such Shareholder on the Unbundling Record Date, (but subject to the withholding of the La Concorde Tax Withholding Shares), be and is hereby approved in terms of section 112 read with section 115 of the Companies Act, on the basis detailed in the Circular.

Reason and effect

The reason for Special Resolution Number 1 is that the Unbundling constitutes the disposal of the greater part of the assets or undertaking of La Concorde in terms of section 112 of the Companies Act and therefore requires the approval of the Shareholders by way of a special resolution, in compliance with the provisions of section 115 of the Companies Act.

The effect of Special Resolution Number 1, if passed, will be to grant the necessary approval of the Unbundling in terms of section 112 read with section 115 of the Companies Act.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF FEES TO BE PAID TO INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE INDEPENDENT BOARD

IT IS RESOLVED AS A SPECIAL RESOLUTION that, subject to the approval of the other resolutions set out in this Notice of General Meeting, the remuneration payable to independent non-executive directors of the Company for their services as independent non-executive directors for purposes of the Unbundling be as follows:

- board fee for each independent non-executive director: R60 000

Reason and effect

This resolution is proposed in order to comply with the requirements of the Companies Act. In terms of section 65(11)(h) of the Companies Act read with sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous 2 (two) years, and only if this is not prohibited in terms of the Company’s MOI.

ORDINARY RESOLUTION NUMBER 1 – DIRECTORS’ AUTHORITY

IT IS RESOLVED AS AN ORDINARY RESOLUTION that any Director of La Concorde, be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to give effect to the resolutions set out above in this Notice of General Meeting and anything already done in this respect be and is hereby ratified.

Reason and effect

The reason for and effect of Ordinary Resolution Number 1 is to authorise each Director of La Concorde to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the Notice of General Meeting.

VOTING AND PROXIES

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 16 February 2018.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 16 March 2018, with the last day to trade being Tuesday, 13 March 2018.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder of La Concorde. A Form of Proxy (*grey*), which sets out the relevant instructions for its completion, is enclosed for Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (*grey*) will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries, at the addresses given below, to be received by them preferably by no later than 10h00 (South African time) on Tuesday, 20 March 2018, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be handed to the chairperson of the General Meeting prior to the commencement of the General Meeting, at any time before the appointed proxy exercises any Shareholder rights at the General Meeting.

Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each Share held.

APPRAISAL RIGHTS OF SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Shareholder may give La Concorde written notice objecting to Special Resolution Number 1.

Within 10 Business Days after La Concorde has adopted Special Resolution Number 1, La Concorde must send a notice that Special Resolution Number 1 has been adopted to each Shareholder who:

- gave La Concorde written notice of objection as contemplated above;
- has neither withdrawn that notice or voted in support of Special Resolution Number 1.

A Shareholder may, within 20 Business Days after receiving the aforementioned notice of the adoption of Special Resolution Number 1 (or if the Shareholders does not receive such notice, within 20 Business Days of learning that the resolution has been adopted), demand that La Concorde pay the Shareholder the fair value for all of the Shares in La Concorde held by it if:

- the Shareholder has sent La Concorde a notice of objection;
- La Concorde has adopted the special resolution; and
- the Shareholder voted against the special resolution and has complied with all of the procedural requirements of section 164 of the Companies Act.

Any Shareholder who is in doubt as to what action to take should consult their legal or professional advisor in this regard.

The wording of section 164 of the Companies Act is set out in **Annexure 2** to the Circular.

SIGNED ON 19 FEBRUARY 2018 BY FA DU PLESSIS ON BEHALF OF THE INDEPENDENT BOARD OF LA CONCORDE

FA du Plessis
Chairperson of the Independent Board

HCI Managerial Services Proprietary Limited
Suite 801
76 Regent Road
Sea Point, 8005
(PO Box 5251, Cape Town, 8000)

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

LA CONCORDE

LA CONCORDE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2009/012871/06)
("**La Concorde**" or "**the Company**")

FORM OF PROXY

All terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meanings when used in this Form of Proxy.

For use by Shareholders at the General Meeting to be held at La Concorde, 57 Main Street, Paarl, on Friday, 23 March 2018 at 10h00.

I/We (Full name in print)

of (address)

Telephone: (work) area code (   )   Telephone: (home) area code (   )

Cell phone number: E-mail address:

being the holder of [   ] Shares in La Concorde, hereby appoint:

1. or failing him/her

2. or failing him/her

3. the chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes 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 Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	In favour of *	Against *	Abstain *
Special Resolution Number 1 Approval of the Unbundling in terms of the Companies Act			
Special Resolution Number 2 Approval of fees to be paid to independent non-executive directors of the Independent Board			
Ordinary Resolution Number 1 Directors' authority			

* *One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the Form of Proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*

Signed at   on this   day of   2018

Signature(s)

Capacity of signatory (where applicable)

Assisted by *(where applicable) (state capacity and full name)*

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s) of La Concorde) to attend, speak and vote in his/her stead at the General Meeting.

Please read the notes on the reverse side hereof.

Notes:

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of La Concorde.

Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds. In the event of a poll, Shareholders present in person, by proxy or by authorised representative shall have one vote in respect of each Share held.

Instructions on signing and lodging the Form of Proxy:

A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries or La Concorde.

The completed Form of Proxy must be lodged with, posted to or sent via e-mail to the Transfer Secretaries at the addresses set out below, to be received by them preferably by no later than 10h00 (South African time) on Tuesday, 20 March 2018, provided that any Form of Proxy not delivered to the Transfer Secretary by this time may be handed to the chairperson of the General Meeting prior to the commencement of the General Meeting, at any time before the appointed proxy exercises any Shareholder rights at the General Meeting. The details of the Transfer Secretaries are as set out below:

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61051, Marshalltown 2107)
Email: proxy@computershare.co.za

Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.

The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.

The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to La Concorde.

The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.

The chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.