

# PRESCIENT

L I M I T E D

## Prescient Limited

(Incorporated in the Republic of South Africa)

(Registration number 1936/008278/06)

(Share Code: PCT ISIN: ZAE000163531)

("Prescient" or the "Company")

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## CIRCULAR TO SHAREHOLDERS

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Regarding

- the proposed subscription by Stellar Capital for PFH "B" Shares;
- the Scheme proposed by the Board between Prescient and its Shareholders in terms of section 114, read with section 115 of the Companies Act 71 of 2008, as amended, in terms of which the Shareholders will be entitled to elect that their Prescient Distribution be applied for them to receive their Prescient Distribution (net of any applicable DWT) in cash, PFH Consideration Shares or Stellar Consideration Shares, and failing election, Shareholders shall be deemed to have elected to apply their Prescient Distribution to receive Stellar Capital Consideration Shares; and
- the proposed Name Change of the Company from Prescient Limited to PBT Group Limited and the corresponding amendment to the Company's memorandum of incorporation;

and enclosing

- a notice convening the Scheme Meeting;
- a notice convening the General Meeting;
- a form of proxy and election in respect of the Meetings for use by Certificated Shareholders and Dematerialised Shareholders with "own-name" registration (*green*); and
- a form of surrender (*pink*) (for use by certificated shareholders only).

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Independent reporting  
accountant to Prescient



*cutting through complexity*

Sponsor to Prescient

BRIDGE  
CAPITAL

Independent expert

Merchantec  
capital

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Date of issue: **30 September 2016**

*This Circular is only available in English. A copy hereof may be obtained from the registered office of Prescient and the offices of the Transfer Secretaries, the addresses of which appear in the "Prescient Corporate Information and Advisors" section on page 1 of this Circular, from Friday, 30 September 2016 until Friday, 28 October 2016. This Circular is also available on Prescient's website ([www.prescient.co.za](http://www.prescient.co.za)).*

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**The definitions and interpretations commencing on page 9 of this Circular apply to this entire document, including the cover page, except where the context indicates a contrary intention.**

### **Action required by Certificated and Dematerialised Shareholders**

This document should be read in its entirety with particular attention to the section entitled "Actions Required by Shareholders", which commences on page 15 of this Circular.

If you are in any doubt as to what action you should take, please consult your broker, banker, legal advisor, CSDP or other professional advisor immediately. If you have disposed of all your Prescient Shares, this Circular should be handed to the purchaser of such Prescient Shares or to the broker, banker, CSDP or other agent through whom the disposal was effected.

**Prescient and Stellar Capital do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Prescient Shares to notify such beneficial owner of the details set out in this Circular.**

### **FORWARD-LOOKING STATEMENTS**

This Circular contains statements about Prescient and PFH that are, or may be, forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Prescient and PFH caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Prescient and PFH operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

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## PRESCIENT CORPORATE INFORMATION AND ADVISORS

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### **Registered office**

Prescient House  
Westlake Business Park, Otto Close  
Westlake, 7945  
South Africa  
(PO Box 31142, Tokai, 7966)

### **Independent Reporting Accountants and Auditors**

KPMG Incorporated  
(Registration number 1999/021543/21)  
8th Floor, MSC House  
1 Mediterranean Street  
Cape Town, 8001  
(PO Box 4609, Cape Town, 8000)

### **Sponsor**

Bridge Capital Advisors Proprietary Limited  
(Registration number 1998/016302/07)  
2nd Floor, 27 Fricker Road  
Illovo Boulevard  
Illovo, 2196  
South Africa  
(PO Box 651010, Benmore, 2010)

### **Transfer Secretaries**

Link Market Services South Africa Proprietary Limited  
(Registration number 2000/007239/07)  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001  
(PO Box 4844, Johannesburg, 2000)

### **Independent Expert**

Merchantec Proprietary Limited  
(Registration number 2008/027362/07)  
2nd Floor, North Block, Hyde Park Office Tower  
Corner 6th Road and Jan Smuts Avenue  
Sandton, 2196  
(PO Box 41480, Craighall, 2024)

### **Company secretary**

Bianca Pieters  
Unit 3, Knowledge Park 3  
Corner Century Boulevard and Heron Crescent  
Century City, 7441  
South Africa  
(PO Box 2206, Century City, 7446)

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## STELLAR CAPITAL CORPORATE INFORMATION AND ADVISORS

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### **Registered office**

Third Floor, The Terraces  
25 Protea Road, Claremont  
Cape Town, 7708  
(Suite 229, Private Bag X1005, Claremont, 7735)

### **Legal Advisor**

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

### **Independent Reporting Accountant**

Deloitte & Touche  
Registered Auditors  
1st Floor, The Square  
Cape Quarter  
27 Somerset Road  
Green Point, 8005  
(Docex 5, Claremont)

### **Company Secretary**

S Graham

### **Financial Advisor and Sponsor**

Rand Merchant Bank  
(A division of FirstRand Bank Limited)  
(Registration number 1929/001225/06)  
1 Merchant Place  
Cnr Fredman Drive & Rivonia Road  
Sandton, 2196  
(PO Box 786273, Sandton, 2146)

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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 9 of this Circular shall apply, *mutatis mutandis*, to this section.

<b>Action</b>	<b>2016</b>
Record date for Shareholders to be recorded in the Register in order to be entitled to receive the Circular ( <b>Record Date</b> )	<b>Friday, 23 September</b>
Posting of the Circular to Shareholders and notices convening Meetings released on SENS	<b>Friday, 30 September</b>
Notices convening the Meetings published in the South African press	<b>Monday, 3 October</b>
Last day to trade in Shares in order to be recorded in the Register on the Voting Record Date ( <b>Voting Last Day to Trade</b> )	<b>Tuesday, 18 October</b>
<b>Voting Record Date</b> for Shareholders to be recorded in the Register in order to be eligible to vote at the Scheme Meeting	<b>Friday, 21 October</b>
Forms of proxy and election to be received by the Transfer Secretaries by 10:00 on	<b>Wednesday, 26 October</b>
Last date and time for Shareholders to give notice to Prescient objecting to the Scheme Meeting in terms of section 164 of the Companies Act by 11:00 on	<b>Friday, 28 October</b>
<b>Meetings:</b>	<b>Friday, 28 October</b>
<ul style="list-style-type: none"><li>• General meeting to be held at 10:00</li><li>• Scheme meeting to be held at 11:00</li></ul>	
Results of Meetings released on SENS	<b>Friday, 28 October</b>
Results of Meetings published in the South African press	<b>Monday, 31 October</b>
<b>If the Scheme is approved by Prescient Shareholders at the Scheme Meeting</b>	
Last day for Shareholders who voted against the Scheme to require Prescient to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of Shareholders at the Scheme Meeting were exercised against the Scheme	<b>Friday, 4 November</b>
Last day for Prescient to send notice of adoption of special resolution to Dissenting Shareholders, in accordance with section 164(4) of the Companies Act	<b>Friday, 11 November</b>
Last day for a Shareholder who voted against the Scheme to apply to court for leave to apply to court for a review of the Scheme in terms of section 115(3)(b) of the Companies Act	<b>Friday, 11 November</b>



*The following dates assume that no court approval or review of the Scheme is required and will be confirmed in the finalisation announcement when the Scheme becomes unconditional:*

<b>Action</b>	<b>2017</b>
Expected <b>Fulfilment Date</b> of the Proposed Transaction	<b>Monday, 23 January</b>
Finalisation announcement expected to be released on SENS by no later than 11:00 on, which announcement will include: <ul style="list-style-type: none"> <li>• the expected timing for the settlement of the Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination based on the elections made by the Scheme Participants as per the Scheme Notice;</li> <li>• the expected timing of the settlement of the cash from the fractional entitlements due to rounding down the Stellar Capital Consideration Shares and the PFH Consideration Shares, and</li> <li>• confirmation that the name change has been approved</li> </ul>	<b>Tuesday, 24 January</b>
Finalisation announcement (as contemplated above) published in the South African press on	<b>Wednesday, 25 January</b>
Expected last day to trade in Shares in order to be recorded in the Register on the <b>Scheme Record Date</b> (Scheme Last Day to Trade)	<b>Tuesday, 31 January</b>
Expected <b>Scheme Record Date</b> on which Shareholders must be recorded in the Register to receive the Stellar Capital Consideration Shares, PFH Consideration Shares and/or the Prescient Distribution or a combination based on the elections or deemed elections made by the Scheme Participants as per the Scheme Notice	<b>Friday, 3 February</b>
Prescient Shareholders are required to make their elections by 12:00 on Scheme Record Date	<b>Monday, 6 February</b>
Expected <b>Operative Date</b> of the Scheme	<b>Monday, 6 February</b>
Dematerialised Scheme Participants expected to have their accounts with their CSDP or broker credited with the Prescient Distribution	<b>Monday, 6 February</b>
Certificated Scheme Participants expected to have either their bank accounts credited with the Prescient Distribution	<b>Tuesday, 7 February</b>
Dematerialised Scheme Participants expected to have their accounts with their CSDP or broker credited with either the Stellar Capital Consideration Shares, PFH Consideration Shares or a combination and debited by the Prescient Distribution required to settle the Stellar Capital Consideration Shares, PFH Consideration Shares or a combination thereof based on the elections made by the Scheme Participants as per the Scheme Notice on or about	<b>Tuesday, 7 February</b>
Certificated Scheme Participants expected to have either their bank accounts debited with the Prescient Distribution required to settle the Stellar Capital Consideration Shares, PFH Consideration Shares or a combination thereof and the Stellar Capital Consideration Share or PFH Consideration Share certificates posted to them by registered post based on the elections made by the Scheme Participants as per the Scheme Notice on or about	<b>Tuesday, 7 February</b>
Dematerialised Scheme Participants expected to have their accounts with their CSDP or broker credited with the cash from the fractional entitlements	<b>Tuesday, 7 February</b>
Certificated Scheme Participants expected to have either their bank accounts credited with the cash from the fractional entitlements	<b>Tuesday, 7 February</b>

## The Name Change salient dates and times

Action	2017
Last day to trade under the old name "Prescient Limited" ( <b>Name Change Last Day to Trade</b> )	<b>Tuesday, 14 February</b>
Trade under the new name "PBT Group Limited" under the new JSE share code "PBG", abbreviated name "PBT GROUP" and new ISIN: ZAE000227781 from commencement of trading on	<b>Wednesday, 15 February</b>
Record date in respect of the name change	<b>Friday, 17 February</b>
New share certificates reflecting the change of name posted by registered post to certificated shareholders who have surrendered their documents of title on or before 12:00 on the record date or within five days of surrender thereof if received after 12:00 on the record date, on or about	<b>Monday, 20 February</b>
Dematerialised shareholders' accounts updated with PBT Group Limited by their CSDP/broker	<b>Monday, 20 February</b>

### Notes:

1. All times indicated in this Circular are local times in South Africa.
2. All dates and times in respect of the items included in this Circular are subject to change, with the approvals of the JSE and TRP. The dates have been determined based on certain assumptions regarding the dates by which certain regulatory approvals will be obtained, which include, but are not limited to, that of the JSE and TRP, will be obtained and that no court approval or review of the Scheme will be required. Any change will be released on SENS.
3. Shareholders are referred to Section C paragraph 2.1.8 of the Circular (which contains a summary of Dissenting Shareholders' appraisal rights in respect of the Scheme) regarding timing considerations relating to the Appraisal Rights afforded to Shareholders.
4. Shareholders should note that as transactions in Prescient Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, persons who acquire Prescient Shares after the Voting Last Day to Trade (i.e. Tuesday, 18 October 2016 will not be eligible to vote at the Meetings, but will, provided the Scheme is approved and they acquire the Shares on or prior to the Scheme Last Day to Trade (expected to be Tuesday, 31 January 2017) participate in the items included in this Circular.
5. If the Meetings are adjourned or postponed, the forms of proxy and election submitted for the initial Meetings will remain valid in respect of any adjournment or postponement of the Meetings.
6. If the Scheme becomes operative, Share certificates may not be dematerialised or rematerialised after the Scheme Last Day to Trade i.e. between 1 February 2017, and 3 February 2017; both days inclusive.
7. If the Name Change becomes operative, Share certificates may not be dematerialised or rematerialised after the Name Change Last Day to Trade.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

<b>“Acting in Concert”</b>	will bear the meaning assigned to this term in the Takeover Regulations;
<b>“Application of the Prescient Distribution”</b>	the application of the proposed cash amount arising from the Prescient Distribution by Prescient on behalf of the Shareholders in accordance with the terms of the Scheme;
<b>“Appraisal Rights”</b>	rights afforded to Shareholders in terms of section 164 of the Companies Act;
<b>“Assets Under Management”</b>	means the total of client funds under management by PFH and its subsidiaries in terms of binding mandates, but excluding any which are subject to: <ul style="list-style-type: none"><li>• notice of termination; and/or</li><li>• a request for proposals published by any client calling upon any one or more competitors of PFH and/or its subsidiaries to submit proposals to manage all or some of the funds under management by PFH and/or its subsidiaries;</li></ul>
<b>“Authorised Dealer”</b>	authorised dealer of the South African Reserve Bank, designated as such in the Exchange Control Regulations;
<b>“Beneficial Owner”</b>	means a person on whose behalf any Dematerialised Share (not held in “own name” form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement;
<b>“Bridge Capital”</b>	means Bridge Capital Advisors Proprietary Limited, the sponsor of Prescient;
<b>“Broker”</b>	means any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
<b>“Business Day”</b>	means any day other than a Saturday, Sunday or official public holiday in South Africa;
<b>“cents”</b>	means South African cents, in the official currency of South Africa;
<b>“Certificated Shares”</b>	means Shares that have not been Dematerialised, the title to which is evidenced by a share certificate or other Document of Title;
<b>“Certificated Shareholders”</b>	means Shareholders who hold Certificated Shares;
<b>“CIPC”</b>	means the Companies and Intellectual Property Commission;
<b>“Circular”</b>	means this bound document dated 30 September 2016 together with the annexures and attachments;
<b>“Closing Date”</b>	means the business day immediately after the date on which the last of the Scheme Conditions Precedent have been fulfilled or waived, as the case may be;
<b>“Common Monetary Area”</b>	means South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
<b>“Companies Act”</b>	means the Companies Act, No. 71 of 2008, as amended, and, where appropriate, includes a reference to the Companies Regulations;

<b>“Competition Authorities”</b>	the Competition Commission and/or the Competition Tribunal and/or the Competition Appeal Court, of South Africa created in terms of the Competition Act, and the competition authorities in other relevant jurisdictions in which Prescient operates;
<b>“Competition Act”</b>	Competition Act, No. 89 of 1998, as amended;
<b>“Companies Regulations”</b>	means the Companies Regulations 2011, promulgated in terms of section 223 of the Companies Act (which include the Takeover Regulations);
<b>“CSDP”</b>	means a Central Securities Depository Participant registered as a participant in terms of the Financial Markets Act;
<b>“CTC”</b>	means, in relation to a Company, the contributed tax capital as defined in section 1 of the Income Tax Act, No. 58 of 1962 of that Company;
<b>“Custody Agreement”</b>	means a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Prescient’s uncertificated securities register administered by a CSDP or Broker on behalf of that person;
<b>“Deloitte &amp; Touche”</b>	means Deloitte & Touche South Africa, a professional partnership established in terms of South African law and the appointed reporting accountants to Stellar Capital;
<b>“Dematerialised”</b>	means the process whereby paper share certificates or other Documents of Title are replaced with electronic records of ownership of Shares or securities, with a CSDP or Broker, as contemplated in section 49(5) of the Companies Act and under the Strate system;
<b>“Dematerialised Shares”</b>	means Shares that have been Dematerialised or have been issued in Dematerialised form, and which are held in electronic form on Prescient’s uncertificated securities register administered by a CSDP;
<b>“Dematerialised Shareholders”</b>	means Shareholders who hold Dematerialised Shares;
<b>“Distribution”</b>	means any distribution whatsoever to shareholders, including distributions by way of dividends (including dividends <i>in specie</i> ), capital reduction, share repurchases, fees, interest payments, royalties, repayment of loan accounts and the like;
<b>“Dissenting Shareholder(s)”</b>	Shareholders who exercise Appraisal Rights in terms of section 164 of the Companies Act and, in respect of whom none of the events set out in section 164(9) of the Companies Act, has occurred;
<b>“Documents of Title”</b>	means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Prescient Shares, reasonably acceptable to Prescient;
<b>“DWT”</b>	means dividends withholdings tax;
<b>“Effective Date”</b>	means the last day of the month immediately preceding the month in which the Closing Date occurs;
<b>“Exchange Control Regulations”</b>	means the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
<b>“Financial Markets Act”</b>	means the Financial Markets Act, No. 19 of 2012, as amended from time to time;
<b>“Fulfilment Date”</b>	date upon which the last of the outstanding Conditions Precedent relating to both the PFH Subscription as well as the Scheme has been fulfilled or waived, as the case may be;

<b>“General Meeting”</b>	means the meeting of Prescient Shareholders to be convened in connection with the Proposed Transaction for the purposes of considering and, if deemed fit, approving the General Meeting Resolutions, including any adjournment thereof;
<b>“General Meeting Resolutions”</b>	means the ordinary and special resolutions to be considered and, if deemed fit, approved by the Prescient Shareholders at the General Meeting, which resolutions shall include: <ul style="list-style-type: none"> <li>(i) the ordinary resolution authorising the PFH Subscription as a Category 1 transaction in terms of section 9 of the Listings Requirements;</li> <li>(ii) the special resolution changing the name of Prescient to PBT Group Limited; and</li> <li>(iii) the resolutions authorising the Prescient Directors or other officers of Prescient to take all such steps and do all such things as are required to implement the Proposed Transaction, subject to the Proposed Transaction becoming unconditional;</li> </ul>
<b>“IFRS”</b>	means International Financial Reporting Standards;
<b>“Implementation Agreement”</b>	means the implementation agreement concluded between the Prescient, PFH and Stellar Capital in relation to the PFH Subscription, the Scheme and related transactions;
<b>“Independent Board”</b>	means the Prescient Board, appointed in terms of the Takeover Regulations as the independent board of Prescient, except for Murray Louw;
<b>“Independent Expert” or “Merchantec”</b>	means Merchantec Proprietary Limited, a Company established in terms of South African law and the appointed Independent Experts for the purposes of this Circular;
<b>“Independent Reporting Accountant to Prescient and PFH”</b>	means KPMG;
<b>“Independent Reporting Accountant to Stellar Capital”</b>	means Deloitte & Touche;
<b>“JSE”</b>	means the JSE Limited (Registration number 2005/022939/06), a public Company incorporated in accordance with the laws of South Africa and licenced as an exchange under the Financial Markets Act;
<b>“KPMG”</b>	KPMG Inc. (practice number 900117);
<b>“Last Practicable Date”</b>	means Friday, 23 September 2016, being the last practicable date prior to the finalisation of this Circular;
<b>“Listings Requirements”</b>	means the Listings Requirements of the JSE in force as at the Last Practicable Date;
<b>“Meetings”</b>	means the Scheme Meeting and the General Meeting;
<b>“Name Change”</b>	means the proposed name change of Prescient Limited to PBT Group Limited;
<b>“New PFH MOI”</b>	means the new memorandum of incorporation of PFH adopted by Prescient as sole shareholder of PFH and registered with the CIPC prior to the Closing Date as a Scheme Condition Precedent;
<b>“Operative Date”</b>	the date on which the Scheme is to be implemented, being the first Business Day following the Scheme Record Date;
<b>“Own Name Dematerialised Shareholders”</b>	means Dematerialised Shareholders who/which have elected to have “own name” registration;

<b>“PBG”</b>	means PBT Group Holdings SA Proprietary Limited and PBT Group (Australia) Proprietary Limited;
<b>“PFH”</b>	means Prescient Holdings Proprietary Limited, (Registration number 1998/023559/07), a limited liability private Company duly incorporated in the Republic of South Africa and wholly owned subsidiary of Prescient;
<b>“PFH Consideration Shares”</b>	means the PFH Subscription Shares which Scheme Participants are entitled to elect to acquire from Stellar Capital in terms of the Scheme;
<b>“PFH Distribution”</b>	means the cash distribution of R1 427 821 549.00 to be declared by PFH to Prescient as the registered holder of the PFH Ordinary Shares after the implementation of the PFH Subscription;
<b>“PFH Group”</b>	means PFH and each of its subsidiaries as contemplated in the Companies Act;
<b>“PFH “B” Shares”</b>	means the “B” ordinary shares of no par value in the share capital of PFH, which rank <i>pari passu</i> with the PFH Ordinary Shares, except that the PFH “B” Shares shall not be entitled to participate in the PFH Distribution;
<b>“PFH Ordinary Shares”</b>	means ordinary shares of no par value in the share capital of the Company, having the preferences, rights, limitations and other terms associated with it as are set out in the New PFH MOI;
<b>“PFH Subscriber”</b>	means Stellar Capital;
<b>“PFH Subscription”</b>	means the subscription by the PFH Subscriber for the PFH Subscription Shares;
<b>“PFH Subscription Price”</b>	means the sum of R1 427 821 549.00 payable by the PFH Subscriber for the PFH Subscription Shares;
<b>“PFH Subscription Shares”</b>	means 1 669 250 950 PFH “B” Shares, which will constitute, after their issue, in excess of 99.99% of the entire issued share capital of PFH;
<b>“PFH Subscription Conditions Precedent”</b>	means the conditions precedent to which the PFH Subscription is subject, as set out paragraph 2.1.3 of Section B of this Circular;
<b>“Prescient”</b>	means Prescient Limited (Registration number 1936/008278/06), a limited liability public Company duly incorporated in the Republic of South Africa, and the holding Company of PFH;
<b>“Prescient Board”</b>	means the board of directors of Prescient as appointed from time to time or, where the Independent Board is contemplated by the Companies Act, the relevant reference herein to the Prescient Board shall be read as a reference to the Independent Board;
<b>“Prescient Directors”</b>	means the directors of the Prescient Board;
<b>“Prescient Distribution”</b>	means the gross cash Distribution in the sum of R1 427 821 549.00 to be declared by Prescient to Scheme Participants, pro rata to their holdings of Prescient Shares as at the Prescient Distribution Record Date, which Distribution will be declared after the Prescient Distribution Record Date, but prior to the Operative Date;
<b>“Prescient Distribution Record Date”</b>	means the date on which Prescient Shareholders are required to be reflected in the securities register of Prescient in order to receive the Prescient Distribution;
<b>“Prescient Share”</b>	means an ordinary share of no par value in the share capital of Prescient, which shares are listed on the Main Board of the JSE in the financial services sector;

<b>“Prescient Shareholders”</b>	means the registered holders of Prescient Shares;
<b>“Proposed Transaction”</b>	means collectively the PFH Subscription, the PFH Distribution, the Prescient Distribution and the Scheme as described in Section B paragraph 2 and Section C paragraph 2;
<b>“Rand” or “R”</b>	means South African rand, the official currency of South Africa;
<b>“Register”</b>	means Prescient’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including Prescient’s uncertificated securities register;
<b>“RMB”</b>	means Rand Merchant Bank, a division of FirstRand Bank Limited (Registration number 1929/001225/06), a public Company duly incorporated in accordance with the laws of South Africa;
<b>“Scheme”</b>	the scheme of arrangement in terms of section 114 read with section 115 of the Companies Act proposed by the Board between Prescient and the Prescient Shareholders, the terms of which are set out in this Circular;
<b>“Scheme Conditions Precedent”</b>	means the conditions precedent to which the Scheme is subject, as set out in paragraph 2.1.4 of Section C;
<b>“Scheme Last Day to Trade”</b>	last day to trade in Shares in order to be recorded on the Register on the Scheme Record Date;
<b>“Scheme Meeting”</b>	means the meeting of Prescient Shareholders to be convened in connection with the Proposed Transaction for the purposes of considering and, if deemed fit, approving the Relevant Resolutions, including any adjournment thereof;
<b>“Scheme Participants”</b>	means the Prescient Shareholders who are registered as the holders of Prescient Shares in the securities register of Prescient on the Prescient Distribution Record Date and are therefore entitled to receive the Prescient Distribution;
<b>“Scheme Resolution”</b>	means the special resolution, as contemplated in section 115(2) of the Companies Act, in terms of which Prescient Shareholders approve the Scheme, the full terms of which are set out in special resolution Number 1 in the notice of Scheme Meeting attached to and forming part of this Circular as well as the resolution authorising the Prescient Directors or other officers of Prescient to take all such steps and do all such things as are required to implement the Proposed Transaction, subject to the Proposed Transaction becoming unconditional;
<b>“SENS”</b>	means the Stock Exchange News Service, operated by the JSE;
<b>“South Africa”</b>	means the Republic of South Africa;
<b>“Stellar Capital”</b>	means Stellar Capital Partners Limited (Registration number 1998/015580/06), a public Company incorporated in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE;
<b>“Stellar Capital 30-day VWAP”</b>	means the volume weighted average traded price of the Stellar Capital Shares on the JSE over the 30 JSE trading days immediately preceding the date of publication of the Terms Announcement, being R1.71 at 17:05 on 18 July 2016;
<b>“Stellar Capital Board” or “Stellar Capital Directors”</b>	means the directors of Stellar Capital as at the Last Practicable Date;
<b>“Stellar Capital Shares”</b>	means ordinary shares of no par value in the share capital of Stellar Capital listed on the Main Board of the JSE;

<b>“Stellar Consideration Shares”</b>	means Stellar Shares to be issued to Scheme Participants pursuant to the Scheme, at a subscription price per Stellar Share equal to the Stellar Capital 30-day VWAP which is R1.71 as defined above;
<b>“Strate”</b>	means Strate Proprietary Limited (Registration number 1998/022242/07), a private Company incorporated in accordance with the laws of South Africa, a registered central securities depository which is responsible for the electronic settlement system used by the JSE;
<b>“Subscription Agreement”</b>	means the subscription agreement entered into between Prescient, PFH and Stellar Capital, in terms whereof Stellar Capital will subscribe for the PFH Subscription Shares at the PFH Subscription Price;
<b>“Subsidiary”</b>	means a subsidiary Company, as defined in section 3 of the Companies Act;
<b>“TRP”</b>	means the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
<b>“Takeover Regulations”</b>	means Chapter 5 of the Companies Regulations;
<b>“Terms Announcement”</b>	means the joint announcement relating to the Proposed Transaction as announced on SENS on 19 July 2016 and in the press on 20 July 2016;
<b>“Transfer Secretaries” or “Link”</b>	means Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private Company incorporated in accordance with the laws of South Africa and the Transfer Secretaries of Prescient;
<b>“VAT”</b>	means Value Added Tax, levied in terms of the provisions of the Value-Added Tax Act, No. 89 of 1991, as amended from time to time; and
<b>“VWAP”</b>	means volume weighted average price.



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## ACTIONS REQUIRED BY SHAREHOLDERS

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The definitions and interpretations commencing on page 9 of this Circular shall apply, *mutatis mutandis*, to this section.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, banker, legal advisor, CSDP, accountant, attorney or other professional advisor.

If you have disposed of all your Prescient Shares on or before Friday, 23 September 2016, this Circular should be handed to the purchaser of such Prescient Shares or the Broker, banker, CSDP or other agent through whom the disposal was effected.

**Please take careful note of the following provisions regarding the action to be taken by Shareholders. If you are in any doubt as to what action you should take, please consult your Broker, banker, legal advisor, CSDP or other professional advisor immediately.**

### SECTION A: EXECUTIVE SUMMARY OF MATTERS INCLUDED IN THE CIRCULAR

**The below is included as a summary for shareholders to assist with the understanding of the broad principles of the Proposed Transaction. For a full understanding of the Proposed Transaction and the consequences for shareholders, as well as the Scheme Resolutions and General Meeting Resolutions required, this Circular should be read in its entirety.**

Subject to the fulfilment or waiver of the Conditions Precedent and the approval of the resolutions:

- Stellar Capital will subscribe for PFH “B” Ordinary Shares (defined as the PFH Subscription) for an amount of R1.427 billion, which was the valuation of PFH.
- PFH will declare the cash proceeds of the subscription as a distribution to Prescient (PFH’s shareholder of ordinary shares) in relation to the PFH Ordinary Shares (defined as the PFH Distribution).
- Prescient, in turn, will declare the cash received from PFH as a cash distribution to the Prescient Shareholders (defined as the Prescient Distribution).
- In terms of a Scheme entered into between Prescient and its shareholders (and approved by special resolution):
  - The Prescient Shareholders will have the option to elect that their Prescient Distribution be applied for them to either receive cash, acquire PFH “B” Shares from Stellar Capital and/or subscribe for newly issued Stellar Capital Shares (defined as the Application of the Prescient Distribution).
  - The default option is that the Prescient Distribution is applied to subscribe for newly issued Stellar Capital Shares.
- Following the elections made by Shareholders as described above and following the completion of the Proposed Transaction, Prescient shareholders will either hold cash, Stellar Capital shares or PFH “B” Shares or a combination of all three, depending on their elections.
- In addition to the components held by Prescient Shareholders as a result of the Scheme (cash, Stellar Capital shares or PFH “B” shares), Prescient Shareholders will also continue to hold listed shares in Prescient which will contain the remaining operations of the group, which will primarily be the information management operations.
- Subsequent to the implementation of the Proposed Transaction, Prescient will be renamed to PBT Group Limited which will more accurately reflect the remaining operations.

## SECTION B: ACTIONS REQUIRED BY PRESCIENT SHAREHOLDERS

### 1. IF YOU HAVE DEMATERIALIZED SHARES WITHOUT “OWN NAME” REGISTRATION

#### 1.1 Attendance and representation at the Meetings

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or Broker if you wish to:

- attend, participate in and vote at the Meeting; and/or
- appoint a proxy (including the chairman of the Scheme Meeting) to represent you at the Scheme Meeting.

Your CSDP or broker will then issue the necessary letter of representation to you to attend the Meetings. You will not be permitted to attend, participate in or vote at the Meetings, nor appoint a proxy to represent you at the Meetings, without the necessary letter of representation being issued to you.

Prescient Shareholders or their proxies may participate in (but not vote) at the Meetings by way of a teleconference call and, if they wish to do so:

- must inform your CSDP or broker to contact the Company secretary by email at bianca.peters@pbtgroup.co.za no later than 10:00 on Wednesday, 26 October 2016 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Meetings,

provided that Prescient Shareholders and their proxies will not be able to vote telephonically at the Meetings.

#### 1.2 Voting at the Meetings

If you cannot or do not wish to attend, or appoint a proxy to represent you at, the Meetings, you should notify your duly appointed CSDP or Broker, as the case may be, in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or Broker, of your instructions regarding the casting of your votes at the Meetings.

If your CSDP or Broker does not obtain instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker.

If you have not been contacted, it would be advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your instructions.

You must not complete the attached form of proxy and election (*green*).

#### 1.3 Election of scheme consideration

If you do not wish to receive the default options as defined in Section C paragraph 2.1.1 to elect the Prescient Distribution as a *pro rata* return of capital and Section C paragraph 2.1.2 to elect that the Application of the Prescient Distribution is applied by Prescient to subscribe for Stellar Capital Consideration Shares on your behalf, you must, by informing your Broker or your CSDP, advise:

- 1.3.1 whether you elect to receive your Prescient Distribution as a Distribution from sources other than CTC or as a *pro rata* return of capital where the remaining amount will be a Distribution from sources other than CTC; and
- 1.3.2 what different combination of Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution you elect in terms of the Scheme.

In the absence of an election being received by the Transfer Secretary by 12:00 on Friday, 3 February 2017, you will be deemed to have elected the default options as noted above.

## 2. IF YOU HAVE DEMATERIALIZED SHARES WITH “OWN NAME” REGISTRATION

### 2.1 Voting, attendance and representation at the Meetings

You may attend, speak and vote at the Meetings in person.

Alternatively, if you are unable to attend the Meetings, you may appoint a proxy to represent you at the Meetings by completing the relevant attached form of proxy and election (*green*) in accordance with the instructions therein and returning it to the Transfer Secretaries, to be received by no later than 48 hours before the Meetings, i.e. by 10:00 on Wednesday, 26 October 2016. Should the form of proxy and election not be lodged with the Transfer Secretaries by this time, it may be handed to the chairman of the Meetings or adjourned Meetings before the Meetings are due to commence or recommence.

The form of proxy and election (*green*) may be delivered by hand or sent by mail to the following addresses:

#### **If delivered by hand**

Link Market Services South Africa Proprietary Limited  
(Registration number 2000/007239/07)  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001

#### **If sent by mail**

Link Market Services South Africa Proprietary Limited  
PO Box 4844, Johannesburg, 2000

Prescient Shareholders or their proxies may participate in (but not vote) at the Meetings by way of a teleconference call and, if they wish to do so:

- must inform your CSDP or broker to contact the Company secretary by email at bianca.pieters@pbtgroup.co.za no later than 10:00 on Wednesday, 26 October 2016 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Meetings,

provided that Prescient Shareholders and their proxies will not be able to vote telephonically at the Meetings.

### 2.2 Election of scheme consideration

If you do not wish to receive the default options as defined in Section C paragraph 2.1.1 to elect the Prescient Distribution as a *pro rata* return of capital and Section C paragraph 2.1.2 to elect that the Application of the Prescient Distribution is applied by Prescient to subscribe for Stellar Capital Consideration Shares on your behalf, you must, by completing the relevant section of the attached form of proxy and election (*green*), advise:

- 2.2.1 whether you elect to receive your Prescient Distribution as a Distribution from sources other than CTC or as a *pro rata* return of capital where the remaining amount will be a Distribution from sources other than CTC; and
- 2.2.2 what different combination of Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution you elect in terms of the Scheme.

In the absence of an election being received by the Transfer Secretary by 12:00 on Friday, 3 February 2017, you will be deemed to have elected the default options as noted above.

### 3. IF YOU HAVE CERTIFICATED SHARES

#### 3.1 Voting, attendance and representation at the Meetings

You may attend, speak and vote at the Meetings in person.

Alternatively, if you are unable to attend the Meetings, you may appoint a proxy to represent you at the Meetings by completing the relevant attached form of proxy and election (*green*) in accordance with the instructions therein and returning it to the Transfer Secretaries, to be received by no later than 48 hours before the Meetings, i.e. by 10:00 on Wednesday, 26 October 2016. Should the form of proxy and election not be lodged with the Transfer Secretaries by this time, it may be handed to the chairman of the Meetings or adjourned Meetings before the Meetings are due to commence or recommence.

The form of proxy and election (*green*) may be delivered by hand or sent by mail to the following addresses:

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Prescient Shareholders or their proxies may participate in (but not vote) at the Meetings by way of a teleconference call and, if they wish to do so:

- must inform your CSDP or broker to contact the Company secretary by email at bianca.pieters@pbtgroup.co.za no later than 10:00 on Wednesday, 26 October 2016 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Meetings,

provided that Prescient Shareholders and their proxies will not be able to vote telephonically at the Meetings.

#### 3.2 Election of scheme consideration

If you do not wish to receive the default options as defined in Section C paragraph 2.1.1 to elect the Prescient Distribution as a *pro rata* return of capital and Section C paragraph 2.1.2 to elect that the Application of the Prescient Distribution is applied by Prescient to subscribe for Stellar Capital Consideration Shares on your behalf, you must, by completing the relevant section of the attached form of proxy and election (*green*), advise:

- 3.2.1 whether you elect to receive your Prescient Distribution as a Distribution from sources other than CTC or as a *pro rata* return of capital where the remaining amount will be a Distribution from sources other than CTC; and
- 3.2.2 what different combination of Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution you elect in terms of the Scheme.

In the absence of an election being received by the Transfer Secretary by 12:00 on Friday, 3 February 2017, you will be deemed to have elected the default options as noted above.

## **SECTION C: SPECIFIC INFORMATION RELATING TO THE SCHEME**

The Scheme Meeting will be held at the Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 immediately after the conclusion of the General Meeting on Friday, 28 October 2016 to consider and, if deemed fit, pass the resolutions required to authorise and effect the implementation of the Scheme. Notice convening the Scheme Meeting is attached to, and forms part of, this Circular.

The actions regarding attendance, representation and voting is addressed in Section A above.

### **1. IF YOU HAVE DEMATERIALIZED SHARES WITHOUT “OWN NAME” REGISTRATION**

#### **1.1 If the Scheme becomes operative**

Should the Scheme become unconditional and operative, Scheme Participants holding Dematerialised Shares, irrespective of whether they voted in favour of the Scheme Resolution, will have their accounts at their CSDP or Broker credited by Prescient on behalf of the Scheme Participant with either the Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination based on the elections made by the Scheme Participants as per the scheme notice.

### **2. IF YOU HAVE DEMATERIALIZED SHARES WITH “OWN NAME” REGISTRATION**

#### **2.1 If the Scheme becomes operative**

Should the Scheme become unconditional and operative, Scheme Participants holding Dematerialised Shares, irrespective of whether they voted in favour of the Scheme Resolution, will have their accounts at their CSDP or broker credited with the Stellar Capital Consideration Shares, the PFH Consideration Shares or the Prescient Distribution or a combination based on the elections made by the Scheme Participants as per the Scheme Notice.

### **3. IF YOU HAVE CERTIFICATED SHARES**

#### **3.1 If the Scheme becomes operative**

If the Scheme becomes unconditional, and where a Scheme Participant elected that Prescient settle the Prescient Distribution in cash, the cash will be paid into your bank account by way of EFT if your bank account details are on the Register, failing which it will be posted to you at your own risk by ordinary post on or about the Operative Date.

If the Scheme becomes unconditional, and where a Scheme Participant elected that Prescient apply the Prescient Distribution to acquire the PFH Consideration Shares and/or subscribe for Stellar Capital Consideration Shares, the certificated shares will be posted to you by registered post on or about the Operative Date.

If you wish to Dematerialise your Prescient Shares, please contact a CSDP or broker.

### **4. RIGHTS OF OBJECTION AND DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS**

At any time before the Scheme Resolution is to be voted on at the Scheme Meeting, a Prescient Shareholder may give Prescient written notice in terms of section 164 of the Companies Act objecting to the Scheme Resolution.

Within 10 Business Days after Prescient has adopted the Scheme Resolution, Prescient must send a notice that the Scheme Resolution has been adopted to each Prescient Shareholder who gave Prescient written notice of objection and has neither withdrawn that notice nor voted in favour of the Scheme Resolution.

A Scheme Shareholder who has given Prescient written notice in terms of section 164 of the Companies Act objecting to the Scheme Resolution and has complied with all of the procedural regulations set out in section 164 of the Companies Act may, if the Scheme Resolution has been adopted, demand in writing within:

- 20 Business Days after receipt of the notice from Prescient referred to above; or
- if the Prescient Shareholder does not receive the notice from Prescient referred to above, 20 Business Days after learning that the Scheme Resolution has been adopted,

that Prescient pay that Prescient Shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the Prescient Shares held by that Prescient Shareholder. A more detailed explanation of the Dissenting Shareholders' Appraisal Rights is contained in Section C paragraph 2.1.8 of the Circular. Shareholders are also referred to Section C paragraph 2.1.4 relating to the Scheme Conditions Precedent.

## **SECTION D: SPECIFIC INFORMATION RELATING TO THE GENERAL MEETING**

The General Meeting will be held at the Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 at 10:00 on Friday, 28 October 2016 to consider and, if deemed fit, pass the resolutions required to authorise and effect the implementation of the items included in the Notice to the General Meeting. Notice convening the General Meeting is attached to, and forms part of, this Circular.

The actions regarding attendance, representation and voting is addressed in Section A above.

### **1. IF YOU HAVE DEMATERIALISED SHARES WITHOUT “OWN NAME” REGISTRATION**

#### **1.1 If the Name Change becomes operative**

Subject to the registration of the special resolution relating to the Name Change, Dematerialised Shareholders do not need to do anything with regard to the Name Change as this will be automatically updated by their CSDP or Broker.

### **2. IF YOU HAVE DEMATERIALISED SHARES WITH “OWN NAME” REGISTRATION**

#### **2.1 If the Name Change becomes operative**

Subject to the registration of the special resolution relating to the Name Change, Dematerialised Shareholders do not need to do anything with regard to the Name Change as this will be automatically updated by their CSDP or Broker.

### **3. IF YOU HAVE CERTIFICATED SHARES**

#### **3.1 If the Name Change becomes operative**

The new share certificates reflecting the new name of the Company will be posted on or about Monday, 20 February 2017 by registered mail to the Certificated Shareholders who are residents of the Common Monetary Area; and in the case of non resident and emigrant Certificated Shareholders, to the authorised foreign exchange dealer in South Africa nominated by such Prescient Shareholders, at their own risk, who have surrendered their documents of title by the Name Change Record Date, or within five business days of receipt of the existing documents of title, whichever is the later. In the event that the Name Change is not registered by the CIPC, then the existing documents of title will be returned by registered mail to certificated shareholders, at their own risk, on or about Monday, 20 February 2017.

Certificated Shareholders should be aware that share certificates are no longer accepted as tradable instruments on the JSE. Certificated Shareholders are therefore urged to take this opportunity to dematerialise their Shares as per the requirements of Strate.

If any existing documents of title have been lost or destroyed and the Certificated Shareholder provides evidence to this effect to the satisfaction of the directors, then the Company may dispense with the surrender of such documents of title against provision of an acceptable indemnity.

Receipts will not be issued for the surrender of existing documents of title. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the documents of title lodged.

# PRESCIENT LIMITED

## **Prescient Limited**

(Incorporated in the Republic of South Africa)  
(Registration number: 1936/008278/06)  
(Share code: PCT ISIN ZAE000163531)  
("Prescient" or the "Company")

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### **DIRECTORS OF PRESCIENT**

#### **Executive directors**

Herman Steyn (*CEO*)  
Michael Buckham (*CFO*)

#### **Non-executive directors**

Murray Louw (*Chairman*)  
Zane Meyer<sup>#</sup>  
Keneilwe Moloko<sup>#</sup>  
Heather Sonn<sup>#,^</sup>  
Ronell van Rooyen

<sup>#</sup> Independent directors.

<sup>^</sup> Resigned with effect from 31 July 2016

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### **CIRCULAR TO SHAREHOLDERS**

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#### **SECTION A: INTRODUCTION AND BACKGROUND**

##### **1. INTRODUCTION AND BACKGROUND**

In the Terms Announcement released by Prescient and Stellar Capital on SENS on Tuesday, 19 July 2016, Prescient Shareholders were informed that Prescient and Stellar Capital had signed the Implementation Agreement and the Subscription Agreement in terms of which Stellar Capital would subscribe for PFH "B" Ordinary Shares for the PFH Subscription Price and Prescient will declare the Prescient Distribution.

The Application of the Prescient Distribution will be implemented by way of a Scheme with Prescient Shareholders in terms of the Companies Act. Upon implementation of the Scheme, the Prescient Distribution will be applied on behalf of Prescient Shareholders based on their elections, or failing an election, Prescient Shareholders will be deemed to have elected to receive the Prescient Distribution as a *pro rata* return of capital and to apply the Prescient Distribution to subscribe for Stellar Capital Consideration Shares.

Subsequent to the completion of the Proposed Transaction, PFH will no longer form part of Prescient. The Prescient Board proposes changing the name of "Prescient Limited" to "PBT Group Limited" to better reflect the future make up and strategic vision of Prescient ("the Name Change") as the post transaction group will consist entirely of the information management services operations. The consequence of the Name Change is that Prescient will again be known as PBT Group Limited as it was known prior to the reverse listing of PFH in 2012. The renaming of Prescient to a name previously used (PBT Group Limited) is reflective of the fact that the listed entity now no longer contains the financial services operations that were sold into the entity in 2012. In essence, the operations of the group will return to the way they were prior to the reverse listing of PFH in 2012.

Implementation of the Proposed Transaction is subject to the fulfilment or waiver of the Conditions Precedent relating to the Scheme as well as the PFH Subscription. The Name Change is subject to the implementation of the Proposed Transaction.

For a full understanding of the Proposed Transaction, and the Scheme Resolutions and General Meeting Resolutions required, this Circular should be read in its entirety.

## 2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Prescient Shareholders with the relevant information regarding

- 2.1 the PFH Subscription;
- 2.2 the Scheme, including, *inter alia*, the report of the Independent Expert prepared in accordance with the requirements of section 114(3) of the Companies Act and the recommendation of the Independent Board in respect of the Scheme;
- 2.3 the Name Change; and
- 2.4 to give notice convening the Scheme Meeting and General Meeting in order to consider and, if deemed fit, to pass the Scheme Resolutions and General Meeting Resolutions necessary to approve and implement the Scheme, PFH Subscription, and the Name Change in accordance with the Companies Act, the Takeover Regulations and the Listings Requirements.

Notices convening the Scheme Meeting and the General Meeting are attached to, and forms part of, this Circular.

## 3. OVERVIEW OF ENTITIES

### 3.1 Information about Prescient

Prescient Limited has a long history on the JSE, starting its incorporation as Wooltru Limited in 1936 and having gone through a number of name changes as the underlying operations changed. Following the unbundling of Woolworths and Truworths from Wooltru Limited in 2002, Wooltru Limited remained as a cash shell. The PBT Group reverse listed into Wooltru Limited in 2010 which resulted in the name change to PBT Group Limited. The group was no longer a cash shell and became an operating group listed on the ICT sector on the JSE.

A further reverse acquisition of PFH into PBT Group Limited in 2012 resulted in a further name change to Prescient Limited and a transfer to the financial services sector. The group has operated as Prescient Limited since 2012.

The Proposed Transaction as set out in this circular will result in the effective sale of PFH and all its subsidiaries. This will return the listed Company to a substantially similar structure to what it was prior to the acquisition of the financial services operations in 2012 and thus it will support a name change to be effected, as the Prescient name has always been associated with financial services, whilst PBT Group has always been associated with information management services.

Prior to the Proposed Transaction there are two main operating segments that currently make up Prescient Limited – the financial services segment and an information management services segment, that currently operates as PBT Group (this will become the trading name of Prescient if the Name Change is approved).

Prescient's financial services operations today include investment management, fund services and administration, stockbroking, wealth management, and retail and institutional retirement and insurance products. This is the business that Stellar Capital will subscribe for.

The information management services business is a key provider of information management and business intelligence consulting, application development and data integration solutions. This will be the remaining business that will be renamed PBT Group Limited.



### 3.2 Information about Stellar Capital

Stellar Capital is a JSE-listed investment holding company that invests permanent capital into strategic or controlling stakes in companies that operate predominantly in the industrial and financial services sectors. Stellar Capital applies a hands-on investment approach in order to assist management teams and to provide strategic input, without assuming direct operational responsibility for the companies in which it invests.

### 3.3 Information about PFH

PFH is a wholly owned subsidiary of Prescient. PFH's operations comprise investment management, fund services and administration, stockbroking, wealth management and retail and institutional retirement and insurance products. PFH provides services to both institutional and retail investors.

## 4. RATIONALE FOR THE PROPOSED TRANSACTION

The Proposed Transaction is expected to result in significant benefits for Stellar Capital, PFH and Prescient Shareholders and clients:

- Stellar Capital will acquire a strategic interest in a proven, scalable and diversified financial services business with exciting growth prospects;
- Stellar Capital is acquiring its interest at a fair value and will be able to add long-term value via its network of relationships;
- the strategic alignment between Stellar Capital and PFH management through the reinvestment by PFH management shareholders in PFH "B" shares at the same value as Stellar Capital, as well as new PFH management retention arrangements, will ensure the long-term commitment of the PFH management team to the future success of PFH (refer to Section C paragraph 2.2.2 for details of the reinvesting shareholders);
- as a result of the Proposed Transaction, new broad-based black economic empowerment ownership deals are expected to be completed at the level of PFH and Prescient Investment Management Proprietary Limited, enhancing the competitive position of the business due to the latest empowerment requirements for asset managers (refer to Section C paragraph 3 for the proposed black economic empowerment transaction at the PFH level); and
- for Prescient Shareholders, the transactions in this Circular, combined with the retention of Prescient Shares (which will remain listed on the JSE), are expected to result in a value unlock as Prescient has traded at a discount to the fair value of the two component parts of its business.

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## SECTION B: GENERAL MEETING

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### 1. PURPOSE OF SECTION B

This section includes all the items that will be put to the Prescient Shareholder vote during the General Meeting. Each item is specifically addressed.

### 2. PROPOSED TRANSACTION – PFH SUBSCRIPTION

For a full understanding of the Proposed Transaction, Prescient Shareholders are advised to read Section B paragraph 2.1 with Section C paragraph 2.1:

#### 2.1 PFH Subscription

##### 2.1.1 *PFH Subscription mechanics*

As at the Last Practicable Date, Prescient is the registered and beneficial holder of 100% of the PFH Ordinary Shares, comprising all of the shares in the issued ordinary share capital of PFH.

In terms of the Subscription Agreement, Stellar Capital shall subscribe for the PFH Subscription Shares at the PFH Subscription Price. The PFH Subscription Shares will rank *pari passu* in all respects with the PFH Ordinary Shares, save that the PFH Subscription Shares shall not entitle Stellar Capital to participate in the PFH Distribution.

In terms of section 9 read with paragraph 3.35 of the JSE Listings Requirements, the issue of shares for cash in a subsidiary of an issuer must be categorised. Therefore the issue of the PFH “B” Shares would be classified as a Category 1 transaction requiring shareholder approval at the General Meeting.

After implementation of the PFH Subscription, PFH shall declare the PFH Distribution to Prescient as the registered holder of the PFH Ordinary Shares:

- firstly from PFH CTC for an amount equal to the full sum of the PFH CTC of R118 000 000, by way of a reduction of its issued PFH Ordinary Share capital; and
- the balance of the PFH Distribution will be distributed from sources other than PFH CTC.

The PFH Distribution shall be declared and approved in terms of section 46 of the Companies Act and will be funded out of the proceeds of the PFH Subscription Price.

After payment of the PFH Distribution to Prescient, Prescient will declare the Prescient Distribution to the Prescient Shareholders. The Prescient Distribution will be declared and approved in terms of section 46 of the Companies Act. The Application of the Prescient Distribution will be implemented in terms of the Scheme, as detailed in Section C paragraph 2.1.

##### 2.1.2 *Effective date adjustments*

The PFH Subscription Price has been calculated on the basis that the actual capital held by PFH and its subsidiaries on the effective date of the PFH Subscription, less any external debt and offshore capital not capable of being repatriated to South Africa within a reasonable period, is equal to the sum of the PFH (and its subsidiaries) agreed level of net working capital plus the minimum regulatory capital required in the PFH Group in terms of applicable legislation (“**Agreed Minimum Capital**”). If there is an excess in the actual capital held by the PFH Group above the Agreed Minimum Capital, such excess shall be declared by PFH to Prescient as a further distribution after the implementation of the Scheme. The excess capital is subject to change during the ordinary course of business between the announcement date and effective date of the Proposed Transaction. If there is a shortfall below the Agreed Minimum Capital, Prescient shall pay such shortfall to PFH.

### 2.1.3 **Conditions Precedent to the PFH Subscription**

The PFH Subscription is subject to the fulfilment or waiver of the following remaining conditions precedent by no later than 31 January 2017:

- 2.1.3.1 the PFH Subscription being approved by Prescient's shareholders in terms of the Listings Requirements of the JSE;
- 2.1.3.2 all conditions to the Scheme have been fulfilled or waived, other than:
  - 2.1.3.2.1 the payment of the PFH Distribution to Prescient, as described in paragraph 2.1.1 above; and
  - 2.1.3.2.2 the receipt of a compliance certificate from the TRP.

The date for the fulfilment of the Conditions Precedent may be extended until such later date as may be agreed in writing between Stellar Capital and Prescient.

### 2.1.4 **Warranties and indemnities**

Each of Prescient, PFH and Stellar Capital provided standard commercial warranties and indemnities that are normal for a transaction of this nature.

### 2.1.5 **Assets Under Management warranty**

PFH warrants that the aggregate Assets Under Management of PFH and its subsidiaries as at the first anniversary of the Closing Date ("**AUM Verification Date**"), shall not be less than R72 000 000 000 ("**Minimum AUM**"). In determining and certifying the amount of the Assets Under Management as at the AUM Verification Date, any decreases in the value of the Assets Under Management in respect of the period between the Closing Date and the AUM Verification Date which are attributable to market fluctuations (i.e. movements in the valuation of Assets Under Management caused by changes in quoted market prices of investments) shall be disregarded.

If the Assets Under Management as at the AUM Verification Date is less than the Minimum AUM, PFH will pay to the PFH Subscriber an amount calculated in accordance with the following formula:

$A = B \times 0.0088$ , where

A is the amount to be paid to the PFH Subscriber limited to R200 000 000

B is the amount below R72 000 000 000

### 2.1.6 **Interim period**

Prescient and PFH have agreed that during the period between the signing of the Subscription Agreement and the Implementation Agreement and the Closing Date, PFH and its subsidiaries will carry on their businesses as going concerns in all material respects in the ordinary course of business. PFH and its subsidiaries shall not enter into any contract or commitment or do anything which, in any such case, is out of the normal and ordinary course of business, without the prior approval of the PFH Subscriber.

## 2.2 **Opinion of the Prescient Board**

The Prescient Board is of the opinion, based on the background information and the Proposed Transaction description that the PFH Subscription would be of future benefit to Prescient Shareholders. Accordingly, the Prescient Board recommends that Prescient Shareholders vote in favour of the resolutions necessary to implement the PFH Subscription.

## 3. **NAME CHANGE**

### 3.1 **Rationale**

Subsequent to the completion of the Proposed Transaction, PFH will no longer form part of Prescient, therefore the Name Change is required to better reflect the focus and the remaining brands of Prescient.

The Prescient Board proposes changing the name of the Company to “PBT Group Limited” as it believes that, post completion of the Proposed Transaction, the proposed new name will allow the Company to focus its energy on becoming an IT-focused business that adds value for consumers and customers through its range of market leading IT products and solutions. The Name Change reflects the trademarks and brands in Prescient that already only focus on IT business.

If approved by Prescient Shareholders, it is anticipated that the name change will become effective on the date set out in the amended registration certificate issued by the CIPC (as contemplated in section 16(9) of the Companies Act) and on the JSE with effect from the commencement of trade on Wednesday, 15 February 2017 under the new name “PBT Group Limited”, under the new JSE share code “PBG”, abbreviated name “PBT GROUP” and new ISIN: ZAE000227781. The Commission has reserved the proposed new name, “PBT Group Limited”, to be used with the abbreviated name “PBT GROUP”, the share code “PBG” and the ISIN: ZAE000227781.

### 3.2 Procedure for the surrender of document of title in respect of the name change

Certificated shareholders must complete the attached form of surrender (*pink*) and lodge it with the Transfer Secretaries. Subject to the issue by the CIPC of an amended registration certificate in terms of section 16(9) of the Companies Act relating to the change of name, new share certificates reflecting the new name of the Company will be posted, by registered mail, on Monday, 20 February 2017 to resident Certificated Shareholders and, in the case of non-resident and emigrant Certificated Shareholders, to the authorised foreign exchange dealer in South Africa nominated by such Prescient Shareholders, at their own risk, who have surrendered their documents of title by 12:00 on the Friday, 17 February 2017, or within five business days of receipt of the existing documents of title where Prescient Shareholders have surrendered their documents of title, whichever is the later.

In the event that the special resolution to approve the Name Change is not passed by the requisite majority of shareholders at the General Meeting, the Proposed Transaction is not implemented, or the CIPC does not issue an amended registration certificate as contemplated in section 16(9) of the Companies Act relating to the Name Change, existing documents of title will be returned, by registered mail, on or about Monday, 20 February 2017 to resident Certificated Shareholders and, in the case of non-resident and emigrant Certificated Shareholders, to the authorised foreign exchange dealer in South Africa nominated by such Prescient Shareholders, at their own risk.

If any existing documents of title have been lost or destroyed and the Certificated Shareholder provides evidence to this effect to the satisfaction of the Prescient Directors, then PBT may dispense with the surrender of such documents of title against provision of an acceptable indemnity.

Receipts will not be issued for the surrender of existing documents of title. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the documents of title lodged.

### 3.3 Opinion of the Prescient Board

The Prescient Board is of the opinion that, for the reasons stipulated in Section B paragraph 3.1 of this Circular, the Name Change is in the best interest of the Company and that it corresponds with the corporate branding and registered trademarks registered and held by PBT Group Limited.

## 4. GENERAL MEETING

Approval of the General Meeting Resolutions will be put to a vote at the General Meeting to be held at 10:00 on Friday, 28 October 2016 at Prescient House, Westlake Business Park, Otto Close, Westlake, 7945.

Each Certificated Shareholder and Dematerialised Shareholder recorded in the Register on the Voting Record Date with “own-name” registration can attend, participate in and vote at the General Meeting in person or give a proxy to someone else (including the chairman of the General Meeting) to represent him/her at the General Meeting by completing the attached form of proxy and election (*green*).

The form of proxy and election (*green*) must be completed in accordance with the instructions therein and returned to the Transfer Secretaries. Should the form of proxy and election (*green*) not be lodged with the Transfer Secretaries by this time, they may be handed to the chairman of the General Meeting or adjourned General Meeting before the meeting is due to commence or recommence.

Should a Dematerialised Shareholder recorded in the Register on the Voting Record Date who does not have “own-name” registration:

- 4.1 wish to attend, speak and vote at the General Meeting, such Prescient Shareholder must arrange with his/her CSDP or broker to obtain the necessary letter of representation; or
- 4.2 be unable to or not wish to attend the General Meeting but wish to vote at the General Meeting, he/she should provide his/her CSDP or broker with their voting instruction in the manner stipulated in the custody agreement governing the relationship between such Shareholder and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut off time and date advised by the CSDP or broker for instructions of this nature. The CSDP or broker will then provide the Transfer Secretaries with the relevant forms of proxy and election in terms of such individual Dematerialised Shareholders’ instructions.

Dematerialised Shareholders recorded in the Register on the Voting Record Date who do not have “own-name” registration will not be permitted to attend, speak or vote at the General Meeting without the necessary letter of representation being issued to them by their CSDP or broker.

If you are a Prescient Shareholder recorded in the Register on the Voting Record Date who wishes to address the General Meeting, then you will be given the opportunity to do so.

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## SECTION C: SCHEME MEETING

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### 1. PURPOSE OF SECTION C

This section includes all the details relating to the Scheme that is put to the Prescient Shareholder vote as part of the Scheme Meeting. For a full understanding of the Proposed Transaction, Prescient Shareholders are advised to read Section B paragraph 2.1 above with Section C paragraph 2.1 below:

### 2. PROPOSED TRANSACTION – THE SCHEME

#### 2.1 The Scheme

The Scheme is proposed by the Prescient Board between Prescient and the Prescient Shareholders, and to which Stellar Capital will be a party.

##### 2.1.1 ***Election regarding the declaration of the Prescient Distribution***

Scheme Participants are entitled to elect that the Prescient directors resolve that their Prescient Distribution be distributed as a dividend declared from sources other than Prescient CTC or a *pro rata* return of Prescient CTC. The Prescient CTC of R1 090 929 048, is insufficient to declare the entire Prescient Distribution from Prescient CTC. The *pro rata* return of CTC will be determined as the ratio of the Prescient CTC of R1 090 929 048 to the Prescient Distribution applied to the gross PCT Distribution to which each Scheme Participant is entitled, other than Scheme Participants who have elected that their Prescient Distribution be declared from sources other than Prescient CTC. The difference will be a dividend declared from sources other than Prescient CTC. DWT will be withheld if applicable.

Scheme Participants who make no election shall be deemed to have elected that the Prescient directors resolve that their Prescient Distribution be distributed as a *pro rata* return of Prescient CTC and the remainder as a dividend from sources other than Prescient CTC.

Shareholders are referred to the “Actions Required by Shareholders” section on page 15 of this Circular which sets out the action to be taken by them for purposes of making their elections regarding the declaration of the Prescient Distribution.

##### 2.1.2 ***Election regarding the Application of the Prescient Distribution***

In terms of the Scheme, Prescient Shareholders are entitled, at their election, to instruct Prescient to:

2.1.2.1 settle and make payment of the Prescient Distribution in cash, net of DWT (if applicable), being a gross amount of R1 427 821 549. The per Prescient Share Prescient Distribution will be calculated based on the issued Prescient Shares in issue as at Operative Date;

2.1.2.2 apply on behalf of a Prescient Shareholder who has so elected, the whole or part of the Prescient Distribution, net of DWT (if applicable), to acquire PFH Consideration Shares from Stellar Capital at the same valuation as the PFH Subscription on behalf of such Prescient Shareholders. The effective shareholding in PFH will be calculated as the ratio of the Prescient Distribution (net of any applicable taxes) to the PFH Subscription Price; and/or

2.1.2.3 apply on behalf of a Prescient Shareholder who has so elected, the whole or part of their Prescient Distribution, net of DWT (if applicable) to subscribe for newly issued Stellar Capital Consideration Shares on behalf of such Prescient Shareholders at an issue price equal to the Stellar Capital 30-day VWAP,

or failing election, the Scheme Participants shall be deemed to have elected to instruct Prescient to apply their Prescient Distribution on their behalf, net of DWT (if applicable) to subscribe for Stellar Capital shares.

If the aggregate number of Stellar Capital Consideration Shares or PFH Consideration Shares deliverable to a Scheme Participant yields a decimal result, then the number of Stellar Capital Consideration Shares or PFH Consideration Shares, as the case may be, to be allocated shall be rounded down to the nearest whole number and a cash payment for the fractional entitlements.

Scheme Participants shall be responsible for the payment of all income tax, capital gains tax, DWT (if applicable, DWT will be withheld by the Scheme Participant's CSDP or Broker and paid to the South African Revenue Services on their behalf), securities transfer tax and any other taxes payable by Scheme Participants pursuant to the Scheme.

Shareholders are referred to the "Actions Required by Shareholders" section on page 15 of this Circular which sets out the action to be taken by them for purposes of making their elections regarding the Application of the Prescient Distribution.

#### 2.1.3 **Purchase of remaining PFH Ordinary Shares held by Prescient**

After the implementation of the PFH Subscription and the PFH Distribution, the PFH Ordinary Shares, which will constitute less than 0.01% of the share capital of PFH, will have been diluted to a nominal value. Consequently, in order to achieve a full exit of PFH from Prescient, Stellar Capital will in terms of the Scheme, after the implementation of the Scheme and on the date contemplated in the Subscription Agreement, purchase the PFH Ordinary Shares held by Prescient from Prescient, at an aggregate purchase consideration of R1.00.

The Stellar Capital Consideration Shares and the PFH Consideration Shares will be settled on behalf of the Prescient Shareholders together with the cash Prescient Distribution by Prescient in accordance with the settlement procedures set out in the Circular and in compliance with the Companies Act and the Financial Markets Act.

#### 2.1.4 **Conditions Precedent to the Scheme**

Implementation of the Scheme will be subject to the fulfilment or waiver, where appropriate, of the following conditions on or before 31 January 2017:

- 2.1.4.1 irrevocable undertakings having been procured from Prescient management holding not less than 40% of the issued share capital of Prescient to vote in favour of all resolutions required to give effect to the Proposed Transaction and to exercise their election in terms of Section C paragraph 2.1.2.2 to apply the Prescient Distribution received by them to acquire PFH Consideration Shares and thereby remain invested in PFH;
- 2.1.4.2 the New PFH MOI, and all other resolutions required to: (i) consolidate every 100 000 PFH Ordinary Shares into 1 PFH Ordinary Share and (ii) to create the PFH "B" Shares, having been adopted by Prescient as the sole shareholder of PFH, and that such resolutions, together with the New PFH MOI, having been registered with the CIPC;
- 2.1.4.3 the PFH Subscription being approved by the requisite majority of Prescient Shareholders as a Category 1 transaction in terms of section 9 of the Listings Requirements of the JSE;
- 2.1.4.4 the Scheme being approved by the requisite majority of Prescient Shareholders, as contemplated in section 115(2) of the Companies Act ("Scheme Resolution"), and to the extent required by a High Court in terms of section 115(2)(c) of the Companies Act, and, if applicable, that Prescient does not treat the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- 2.1.4.5 to the extent required under section 115(3), approval of the implementation of the Scheme Resolution by the court is obtained and, if applicable, Prescient not having treated the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- 2.1.4.6 Prescient Shareholders holding more than 5% (five percent) of all the issued Prescient Shares not having given, in terms of section 164(3) of the Companies Act, valid notice of objection to the Scheme Resolution taken at the Scheme Meeting and those objecting Prescient Shareholders not having voted against

the Scheme Resolution in respect of more than 5% (five percent) of the issued Prescient Shares at the relevant Scheme Meeting;

- 2.1.4.7 the receipt of the unconditional approval in writing of the relevant South African competition authority/ies, to the extent required in terms of the Competition Act, 89 of 1998, of the Proposed Transaction, or if such approval is conditional, such conditions being acceptable to the parties upon whom they are imposed, or upon whom they have an impact, in their sole and absolute discretion, provided however that in considering whether to accept any such condition, each party shall act in good faith;
- 2.1.4.8 the receipt of all required approvals in respect of the Proposed Transaction from all regulatory authorities, including, but not limited to, the TRP, the Registrar of Collective Investment Schemes, the Registrar of Long Term Insurance, the Central Bank of Ireland and the Jersey Financial Services Commission;
- 2.1.4.9 the receipt of the approval by special resolution of Stellar Capital shareholders, in terms of section 41(3) of the Companies Act, should Stellar Capital issue more than 30% of its current issued share capital to Prescient Shareholders in accordance with Section C paragraph 2.1.2.3 above;
- 2.1.4.10 successful implementation of the Subscription Agreement and the declaration and payment of the PFH Distribution to Prescient; and
- 2.1.4.11 the issue of a compliance certificate by the TRP in relation to the Scheme.

The conditions in paragraphs 2.1.4.1 and 2.1.4.6 are for the benefit of Stellar Capital and may be waived or relaxed by Stellar Capital in its sole discretion by notice in writing to Prescient prior to the expiry of the time period as set out in paragraph 2.1.4, provided that if the condition in paragraph 2.1.4.6 is waived and if any Prescient Shareholder exercises its appraisal rights in terms of section 164 of the Companies Act, the reasonable costs of any court process and/or any order that is made against Prescient prior to the Scheme being implemented, shall be funded by Stellar Capital on demand made by Prescient.

Save where the remainder of the conditions in paragraph 2.1.4 are of a regulatory nature, they are capable of waiver or relaxation by written agreement between Stellar Capital and Prescient prior to the expiry of the time period above.

Stellar Capital and Prescient may, by agreement in writing and with the prior approval of the TRP (where required), extend the dates for the fulfilment of any one or more of the conditions in paragraph 2.1.4 and such agreement shall not be unreasonably withheld or delayed if the condition is of a regulatory nature and the delay is occasioned on the part of the regulator and the period of the extension accords with the period of the delay.

Unless all the conditions in paragraph 2.1.4 have been fulfilled or, where possible, waived or relaxed by not later than the relevant dates for fulfilment thereof set out in paragraph 2.1.4 (or such later date or dates to which the fulfilment date/s may have been), the provisions of the Implementation Agreement, save for certain specific clauses which will remain of full force and effect, shall terminate automatically on the Fulfilment Date of the first condition that was not timeously fulfilled or, where possible, waived.

#### 2.1.5 **Scheme Meeting**

Approval of the Scheme will be put to a vote at the Scheme Meeting to be held at 11:00 on Friday, 28 October 2016 at Prescient House, Westlake Business Park, Otto Close, Westlake, 7945.

Each Certificated Shareholder and Dematerialised Shareholder recorded in the Register on the Voting Record Date with "own-name" registration can attend, participate in and vote at the Scheme Meeting in person or give a proxy to someone else (including the chairman of the Scheme Meeting) to represent him/her at the Scheme Meeting by completing the attached form of proxy and election (*green*).

The form of proxy and election (*green*) must be completed in accordance with the instructions therein and returned to the Transfer Secretaries. Should the form of proxy and election (*green*) not be lodged with the Transfer Secretaries by this time, they may be handed to the chairman of the Scheme Meeting or adjourned Scheme Meeting before the meeting is due to commence or recommence.



Should a Dematerialised Shareholder recorded in the Register on the Voting Record Date who does not have “own-name” registration:

- 2.1.5.1 wish to attend, speak and vote at the Scheme Meeting, such Shareholder must arrange with his/her CSDP or broker to obtain the necessary letter of representation; or
- 2.1.5.2 be unable to or not wish to attend the Scheme Meeting but wish to vote at the Scheme Meeting, he/she should provide his/her CSDP or broker with their voting instruction in the manner stipulated in the custody agreement governing the relationship between such Shareholder and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut off time and date advised by the CSDP or broker for instructions of this nature. The CSDP or broker will then provide the Transfer Secretaries with the relevant forms of proxy and election in terms of such individual Dematerialised Shareholders’ instructions.

Dematerialised Shareholders recorded in the Register on the Voting Record Date who do not have “own-name” registration will not be permitted to attend, speak or vote at the Scheme Meeting without the necessary letter of representation being issued to them by their CSDP or broker.

If you are a Shareholder recorded in the Register on the Voting Record Date who wishes to address the Scheme Meeting, then you will be given the opportunity to do so.

#### 2.1.6 ***Court approval***

Prescient Shareholders are advised that, in terms of section 115(3) of the Companies Act, Prescient may in certain circumstances not proceed to implement the Scheme Resolution approving the Scheme, despite it being adopted at the Scheme Meeting, without the approval of the Court.

#### 2.1.7 ***Settlement of the Stellar Capital Consideration Shares, the PFH Consideration Shares together with the Prescient Distribution***

Subject to the Scheme becoming unconditional, the Scheme shall become binding on Prescient and all the Scheme Participants (irrespective of whether a Scheme Participant voted in favour of the Scheme or not).

In the event that the Scheme becomes unconditional and is implemented, Scheme Participants will, subject to the Exchange Control Regulations, be entitled to receive the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution based on the elections or deemed elections made by the Scheme Participants in respect of the Prescient Shares held by these Scheme Participants on the Operative Date. Prescient will, either itself and/or through the Transfer Secretaries, administer and procure the transfer of the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution to the Scheme Participants.

The following provisions relate to Scheme Participants who hold Certificated Shares:

- 2.1.7.1 subject to Exchange Control Regulations, details of which are set out in Section D paragraph 2, the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution will be transferred/paid to the Certificated Shareholder, at the risk of the Certificated Shareholders, by the Transfer Secretaries on behalf of Prescient on the Operative Date the Prescient Distribution in the event that the Scheme Participant elected option 2.1.2.1 shall be deposited into the account on record in the Register or, if no bank account details are recorded in the Register, posted by cheque to the Shareholders concerned to their address in the Register at their risk;
- 2.1.7.2 in the event that the Scheme Participant elected either option 2.1.2.2 or 2.1.2.3, the Certificated Shares will be posted to the Shareholders concerned to their address in the Register at their risk; or
- 2.1.7.3 if the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution is returned undelivered to the Transfer Secretaries, the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution will be held in trust by Prescient or the Transfer Secretaries

on behalf of the Scheme Participant until claimed for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by Prescient.

In respect of Scheme Participants who are Dematerialised Shareholders, Prescient or the Transfer Secretaries on Prescient's behalf will deposit the Prescient Distribution into the account of the relevant CSDP via Strate on behalf of the Scheme Participants based on their elections in terms of paragraphs 2.1.2.1, 2.1.2.2 and 2.1.2.3 above to ensure that the implementation of the election of the Application of the Prescient Distribution occurs as elected and thereafter the accounts of Dematerialised Shareholders at their CSDPs or brokers will be credited and updated with Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution based on the elections due to them in accordance with the custody agreements between the Dematerialised Shareholders and their CSDPs or brokers.

Settlement of the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution to which any Prescient Shareholder is entitled to under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Prescient may otherwise be, or claim to be, entitled against such Prescient Shareholders.

#### 2.1.8 ***Dissenting Shareholders' Appraisal Rights***

This paragraph contains only a summary of the provisions of section 164 of the Companies Act.

Section 164 of the Companies Act provides that:

- 2.1.8.1 at any time before the Scheme Resolution is to be voted on, a Prescient Shareholder may give Prescient a written notice objecting to the Scheme Resolution ("Notice of Objection");
- 2.1.8.2 within 10 Business Days after Prescient has adopted the special resolution, Prescient must send a notice that the special resolution has been adopted to each Prescient Shareholder who gave Prescient a Notice of Objection and has neither withdrawn the Notice of Objection nor voted in favour of the Scheme Resolution;
- 2.1.8.3 a Prescient Shareholder may demand in writing within 20 Business Days after receipt of the notice referred to in paragraph 2.1.8.1 or, if the Prescient Shareholder does not receive such a notice, within 20 Business Days after learning that the Scheme Resolution has been adopted, that Prescient pay the Prescient Shareholder the fair value for all the Prescient Shares held by that person if:
  - (i) the Prescient Shareholder sent Prescient a Notice of Objection;
  - (ii) Prescient has adopted the Scheme Resolution; and
  - (iii) the Prescient Shareholder voted against the Scheme Resolution and has complied with all of the procedural requirements of section 164 of the Companies Act.

The demand sent by the Prescient Shareholder to Prescient as provided in paragraph 2.1.8.3 above must set out:

- 2.1.8.4 the Prescient Shareholder's name and address;
- 2.1.8.5 the number of Prescient Shares in respect of which the Prescient Shareholder seeks payment; and
- 2.1.8.6 a demand for payment of the fair value of those Prescient Shares. The fair value of the Prescient Shares is determined as at the date on which, and the time immediately before, Prescient adopted the Scheme Resolution that gave rise to the Prescient Shareholder's rights under this section.

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

Before exercising their Appraisal Rights, Prescient Shareholders should have regard to the following factors relating to the Scheme:

- 2.1.8.7 the Prescient Shareholders are able to elect the option which is the most beneficial to them;
- 2.1.8.8 the report of the Independent Expert set out in **Annexure 1** to this Circular concludes that the terms of the Scheme are fair and reasonable to Shareholders; and
- 2.1.8.9 the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

A Prescient Shareholder who has sent a demand in terms of sections 164 of the Companies Act has no further rights in respect of their Prescient Shares, other than to be paid their fair value, unless:

- 2.1.8.10 the Prescient Shareholder withdraws that demand before Prescient makes an offer for such Shareholder's Shares in terms of section 164(11) or allows any offer made by Prescient to lapse;
- 2.1.8.11 fails to make an offer in accordance with section 164(11) of the Companies Act and the Shareholder withdraws the demand; or
- 2.1.8.12 Prescient, by a subsequent special resolution, revokes the Scheme Resolution.

It should be noted that one of the Scheme Conditions Precedent is that, by 31 January 2017, no Shareholders exercise Appraisal Rights by giving valid demands in terms of section 164(7) of the Companies Act, provided that if no more than 5% of the Prescient Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act, or if one or more Shareholders do so object but do not vote against the resolutions proposed at the Scheme Meeting, then this Scheme Condition Precedent shall be deemed to have been fulfilled at the time of the Scheme Meeting.

In the event that any of the circumstances contemplated in section 164(9) of the Companies Act occur, then a Dissenting Shareholder shall:

- 2.1.8.13 if such event takes place on or before the Scheme Record Date in respect of the Scheme, be deemed to be a Prescient Shareholder and be subject to the provisions of the Scheme; and
- 2.1.8.14 if such event takes place after the Scheme Record Date in respect of the Scheme, be deemed to have been a Scheme Participant as at the Operative Date, provided that payment/transfer of the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution shall take place on the later of:
  - (i) the Operative Date; or
  - (ii) the date which is five Business Days after that Dissenting Shareholder withdrew its demand or allowed Prescient's proposal in terms of the Scheme to lapse, as the case may be.

A copy of section 164 of the Companies Act is included in **Annexure 14** as required by the Companies Act.

## 2.2 Irrevocable Undertakings

### 2.2.1 *Vote in favour of the Proposed Transaction*

The following Prescient Shareholders which collectively hold 80.67% of the Prescient Shares have provided irrevocable undertakings to vote in favour of the Proposed Transaction:

<b>Name</b>	<b>Number of shares</b>	<b>Shareholding %</b>	<b>Nature of shareholder</b>
St Helena Family Trust	274 789 746	16.77	Staff/management
Clearstream Banking SA	165 000 000	10.07	Other
Seena Marina Financial Services	99 201 824	6.05	Other
Prescient Empowerment Trust	49 831 138	3.04	Other
Rocklands Group Holdings	58 495 444	3.57	Other
FISC Investment Management	317 014 336	19.35	Staff/management
Kenneth Wood	34 140 501	2.08	Other
Prescient Foundation shares	28 750 000	1.75	Other
Eldria Fraser	22 199 138	1.35	Other
The Van Rooyen Family Trust	19 757 187	1.21	Other
Carey Millerd	17 825 518	1.09	Other
Heather Millerd	17 825 517	1.09	Other
Sharon Bailey	16 908 801	1.03	Staff/management
Cornelius Winckler	13 909 276	0.85	Other
Kevin Dewar	12 804 065	0.78	Staff/management
Paul Marais	10 813 900	0.66	Staff/management
Aura Business	10 175 528	0.62	Other
Craig Mockford	8 518 520	0.52	Staff/management
Michael Buckham	8 518 520	0.52	Staff/management
Sando Holdings	6 871 675	0.42	Other
Farzana Bayat	6 778 285	0.41	Staff/management
Sando Holdings	5 555 555	0.34	Other
Liang Du	5 277 313	0.32	Staff/management
Kiran Gihwala	5 000 000	0.31	Other
Janine Steyn	4 508 897	0.28	Other
Calvyn du Toit	4 445 251	0.27	Staff/management
Georgina Kirkpatrick	4 441 686	0.27	Other
Daniel Acres	3 741 842	0.23	Staff/management
Sheena van der Merwe	2 595 586	0.16	Other
Rene van Eck	2 200 000	0.13	Staff/management
Taryn Elario	2 109 476	0.13	Staff/management
Guy Toms	2 104 771	0.13	Staff/management
Stephen Heath	2 040 000	0.12	Staff/management
Wayne Smith	1 887 443	0.12	Staff/management
Garth Foster	1 866 944	0.11	Staff/management
Herman Steyn	1 701 321	0.10	Staff/management
Lemon Lane Nominees (Acc 1)	1 622 113	0.10	Other
Tanya May	1 520 440	0.09	Staff/management
Gideon van der Linde	1 511 187	0.09	Staff/management
Esmarie Strydom	1 500 000	0.09	Staff/management
Anthea Koral	1 487 610	0.09	Staff/management
Lorelle Futter	1 381 153	0.08	Staff/management
Lemon Lane Nominees (Acc 2)	1 350 000	0.08	Other
Maple Leaf Trust	1 062 073	0.06	Other

<b>Name</b>	<b>Number of shares</b>	<b>Shareholding %</b>	<b>Nature of shareholder</b>
Sando Bursary Trust	1 000 000	0.06	Other
Godfrey Groepes	904 139	0.06	Staff/management
Monei Pudumo-Roos	863 716	0.05	Staff/management
Abdullah Bhawoodien	860 423	0.05	Staff/management
Gillian Lewis	640 000	0.04	Staff/management
Ryan van Breda	400 883	0.02	Staff/management
Fazila Manjoo	311 540	0.02	Staff/management
Emma Watts	250 771	0.02	Staff/management
Shandre Snyman	236 400	0.01	Staff/management
Julie Nell	232 978	0.01	Staff/management
Johan Steyn	220 752	0.01	Staff/management
Tamsyn Heath	188 993	0.01	Staff/management
Bevan Vollenhoven	175 557	0.01	Staff/management
Lameez Amlay	159 966	0.01	Staff/management
Igshaan Alexander	149 811	0.01	Staff/management
Stuart Steyn	110 000	0.01	Other
Ingrid Steyn	110 000	0.01	Other
Jaeger Coert	106 729	0.01	Staff/management
Justin Sage	81 762	–	Staff/management
Meyer Coetzee	30 000	–	Staff/management
Fer-a-cheval Trust	34 307 627	2.09	Other
The Ngumeni Family Trust	5 847 663	0.36	Other
Sam Ngumeni	4 314 558	0.26	Other
Roshnee Naidoo	287 518	0.02	Staff/management
Guy Toms	9 025 038	0.55	Staff/management
<b>Total</b>	<b>1 321 856 404</b>	<b>80.67</b>	

(1) Based on an outstanding number of Prescient Shares in issue of 1 638 511 658 as at the Last Practicable Date (net of treasury shares).

(2) "Other" relates to Prescient Shareholders that are not management or staff of PFH.

(3) Refer to **Annexure 15** for the dealings by Prescient Shareholders that have provided irrevocable undertakings.

### 2.2.2 ***Election to apply the Prescient Distribution to acquire PFH Consideration Shares from Stellar Capital***

The following Prescient Shareholders which collectively hold 51.66% of the Prescient Shares have provided irrevocable undertakings to elect to apply part or all of their Prescient Distributions to acquire PFH "B" Shares from Stellar Capital.

Name	Total irrevocable undertakings provided		Portion of Prescient Distribution to be applied to acquire PFH "B" Shares		Nature of shareholder <sup>2</sup>
	Number of shares	Shareholding % in Prescient	Number of shares	Shareholding %	
St Helena Family Trust	274 789 746	16.77	183 193 164	11.2	Staff/management
Prescient Empowerment Trust	49 831 138	3.04	49 831 138	3.0	Other
FISC Investment Management <sup>3</sup>	317 014 336	19.35	304 923 374	18.6	Staff/management
Prescient Foundation shares	28 750 000	1.75	28 750 000	1.8	Other
The Van Rooyen Family Trust	19 757 187	1.21	1 500 000	0.1	Other
Carey Millerd	17 825 518	1.09	4 456 380	0.3	Other
Heather Millerd	17 825 517	1.09	4 456 380	0.3	Other
Sharon Bailey	16 908 801	1.03	8 000 000	0.5	Staff/management
Kevin Dewar	12 804 065	0.78	10 000 000	0.6	Staff/management
Paul Marais	10 813 900	0.66	2 000 000	0.1	Staff/management
Craig Mockford	8 518 520	0.52	7 300 000	0.4	Staff/management
Michael Buckham	8 518 520	0.52	6 077 197	0.4	Staff/management
Sando Holdings	6 871 675	0.42	6 871 675	0.4	Other
Farzana Bayat	6 778 285	0.41	2 000 000	0.1	Staff/management
Sando Holdings	5 555 555	0.34	5 555 555	0.3	Other
Kiran Gihwala	5 000 000	0.31	5 000 000	0.3	Other
Calvyn du Toit	4 445 251	0.27	2 100 000	0.1	Staff/management
Daniel Acres	3 741 842	0.23	3 741 842	0.2	Staff/management
Rene van Eck	2 200 000	0.13	1	–	Staff/management
Taryn Elario	2 109 476	0.13	1 054 738	0.1	Staff/management
Stephen Heath	2 040 000	0.12	250 000	–	Staff/management
Wayne Smith	1 887 443	0.12	250	–	Staff/management
Garth Foster	1 866 944	0.11	933 472	0.1	Staff/management
Tanya May	1 520 440	0.09	1 520 440	0.1	Staff/management
Gideon van Der Linde	1 511 187	0.09	370 000	–	Staff/management
Esmarie Strydom	1 500 000	0.09	1 500 000	0.1	Staff/management
Anthea Koral	1 487 610	0.09	1 318 264	0.1	Staff/management
Lorelle Futter	1 381 153	0.08	690 576.50	0.0	Staff/management
Godfrey Groepes	904 139	0.06	904 139	0.1	Staff/management
Gillian Lewis	640 000	0.04	100 000	–	Staff/management
Ryan van Breda	400 883	0.02	200 441	–	Staff/management
Fazila Manjoo	311 540	0.02	103 846	–	Staff/management
Emma Watts	250 771	0.02	200 771	–	Staff/management
Shandre Snyman	236 400	0.01	118 200	–	Staff/management
Julie Nell	232 978	0.01	232 978	–	Staff/management
Johan Steyn	220 752	0.01	200 000	–	Staff/management
Tamsyn Heath	188 993	0.01	1	–	Staff/management
Bevan Vollenhoven	175 557	0.01	175 557	–	Staff/management
Lameez Amlay	159 966	0.01	159 966	–	Staff/management
Justin Sage	81 762	–	81 762	–	Staff/management
Meyer Coetzee	30 000	–	30 000	–	Staff/management
Roshnee Naidoo	287 518	0.02	287 518	–	Staff/management
Guy Toms	9 025 038	0.55	9 025 038	0.6	Staff/management
<b>Total</b>	<b>846 400 406</b>	<b>51.66</b>	<b>655 214 664</b>	<b>40.00</b>	

- (1) Based on an outstanding number of Prescient Shares in issue of 1 638 511 658 as at the Last Practicable Date (net of treasury shares).
- (2) "Other" relates to Prescient Shareholders that are not management or staff of PFH.
- (3) In terms of the irrevocable undertaking provided by FISC Investment Management, FISC Investment Management has undertaken to increase its election of PFH "B" Shares if and to the extent required to ensure that the total reinvestment by the Prescient Shareholders is at least 40% of the total PFH "B" Shares in issue.
- (4) Refer to **Annexure 15** for the dealings by Prescient Shareholders that have provided irrevocable undertakings.

### 2.3 Agreements in relation to the scheme

Other than the irrevocable undertakings as detailed in paragraph 2.2 of this Circular, no agreements have been entered into between Prescient and/or any party/ies Acting in Concert with it and Stellar Capital and/or the Prescient Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) and/or Prescient Shareholders (as at the Last Practicable Date or who were Prescient Shareholders in the preceding 12 months) in relation to the Scheme.

Other than the irrevocable undertakings as detailed in paragraph 2.2 of this Circular, no agreements have been entered into between Prescient and Stellar Capital and/or any parties Acting in Concert with it and/or the Stellar Capital Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) and/or Stellar Capital shareholders (as at the Last Practicable Date or who were Stellar Capital shareholders in the preceding 12 months) in relation to the Scheme.

## 3. PROPOSED BLACK ECONOMIC EMPOWERMENT TRANSACTION

Stellar Capital is currently in discussions with Prescient Empowerment Trust regarding a proposed black economic transaction in terms whereof, if concluded, Prescient Empowerment Trust will acquire 10.1% of the PFH B Shares from Stellar Capital for the same valuation as the PFH Subscription Price. It is intended that the proposed black economic empowerment transaction completes simultaneously with the Scheme, resulting in Stellar Capital holding less than 50% of the total PFH B Shares in issue.

The above proposed black economic empowerment transaction, if concluded, will be subject to, *inter alia*, the following conditions:

- 3.1 Prescient Empowerment Trust arranging appropriate third party funding; and
- 3.2 Black economic empowerment certification being obtained for the proposed transaction.

## 4. RECOMMENDATIONS AND UNDERTAKINGS

4.1 The Independent Board appointed the Independent Expert (which meets the requirements set out in section 114(2) of the Companies Act) to advise it on the proposed Scheme and to compile a report in terms of section 114(3) of the Companies Act and the Takeover Regulations (including regulation 113 in particular) to the Independent Board concerning the Scheme.

4.2 The Independent Expert has advised the Independent Board that it has considered the terms and conditions of the Scheme and is of the opinion that it is fair and reasonable, except for the election to apply the Prescient Distribution to subscribe for newly issued Stellar Capital Consideration Shares which the Independent Expert is of the opinion is unfair and reasonable. The text of the letter from the Independent Expert is included in **Annexure 1** to this Circular and the report has not been withdrawn prior to the publication of this Circular.

4.3 The Independent Board, taking into account the opinion of the Independent Expert, has considered the terms and conditions of the Scheme and is of the opinion that the terms and conditions thereof are fair and reasonable except for the election whereby the Scheme Participants elect or deem to elect to instruct Prescient to apply the Prescient Distribution to subscribe for newly issued Stellar Capital Consideration Shares. In particular, the Independent Board has considered the fair value ranges of Stellar Capital determined by the Independent Expert and is in agreement with the fair value ranges so determined and has placed reliance on the valuation performed by the Independent Expert. There were no factors considered to be too difficult to quantify or unquantifiable by the Independent Board when formulating its opinion. Accordingly, the Independent Board proposes the Scheme to Shareholders for their consideration and recommends that:

- 4.3.1 Prescient Shareholders vote in favour of the Scheme and where the Prescient Shareholders do not wish to instruct or deem to instruct Prescient to apply their Prescient Distributions to subscribe for newly issued Stellar Capital Consideration Shares:
  - 4.3.1.1 to elect to instruct Prescient to settle the Prescient Distribution in cash; and/or
  - 4.3.1.2 to elect to instruct Prescient to apply the Prescient Distribution to acquire PFH Consideration Shares from Stellar Capital at the same valuation as the PFH Subscription on behalf of such Prescient Shareholders.

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## SECTION D: OTHER INFORMATION

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### 1. PURPOSE OF SECTION D

This section includes all general information that is required to be disclosed in terms of the JSE Listings Requirements as well as the TRP. Specific information relating to Prescient, PFH and Stellar Capital are included in Section E, Section F and Section G respectively.

### 2. EXCHANGE CONTROL REGULATIONS

#### 2.1 Related to the PFH Subscription

There are no exchange control consequences for the Prescient Shareholders as a consequence of the PFH Subscription.

#### 2.2 Related to the Name Change

The following is a summary of the Exchange Control Regulations insofar as they have application to Prescient Shareholders in terms of the Scheme. In the event of any doubts, Prescient Shareholders are advised to consult their professional advisors as soon as possible.

In the case of Certificated Shareholders whose registered addresses are outside the common monetary area or where the share certificates are restrictively endorsed in terms of the South African Exchange Control Regulations, the following will apply:

##### 2.2.1 *Emigrants from the Common Monetary Area*

Share certificates bearing the new name will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be sent to the shareholder's authorised foreign exchange dealer in South Africa that controls his blocked assets.

##### 2.2.2 *All other non-residents*

Share certificates bearing the new name will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be sent to the Prescient Shareholder's authorised foreign exchange dealer in South Africa nominated by the non-resident or to the postal address nominated by the non-resident in accordance with the procedure set out in Section B paragraph 3.2. With regard to emigrant and non-resident dematerialised shareholders, their share accounts will be automatically updated with the name change by their CSDP/Broker on Monday, 20 February 2017.

##### 2.2.3 *Information not provided*

If the information regarding the Authorised Dealer is not given or instructions are not given as required, the share certificates bearing the new name will be held by the Transfer Secretaries for the benefit of those Prescient Shareholders concerned, pending receipt of the necessary information or instructions.

#### 2.3 Related to the Scheme

The following is a summary of the Exchange Control Regulations insofar as they have application to Prescient Shareholders in terms of the Scheme. In the event of any doubts, Prescient Shareholders are advised to consult their professional advisors as soon as possible.

##### 2.3.1 Residents of the Common Monetary Area

In the case of:

- 2.3.1.1 Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Document(s) of Title are not restrictively endorsed in terms of the Exchange Control Regulations, Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution will be posted to such Prescient Shareholders, in accordance with the "Action required by Shareholders" section of this document as set out on page 15; or



2.3.1.2 Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively endorsed in terms of the Exchange Control Regulations, Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution will be transferred directly to the accounts nominated for the relevant Prescient Shareholders by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

2.3.2 **Emigrants from the Common Monetary Area**

In the case of Prescient Shareholders who are emigrants from the Common Monetary Area, the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution will:

2.3.2.1 in the case of Certificated Shareholders whose Document(s) of Title will be restrictively endorsed under the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Certificated Shareholders' blocked assets in terms of the Exchange Control Regulations. The attached Scheme Notification makes provision for details of the authorised dealer concerned to be given; or

2.3.2.2 in the case of Dematerialised Shareholders, be transferred to the emigrant account of the Prescient Shareholders' held at the CSDP of the Authorised Dealer controlling the particular emigrant's blocked assets, or the CSDP contracted by such an Authorised Dealer, under the auspices of the controlling Authorised Dealer.

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

The Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution accruing to non-resident Prescient Shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will:

2.3.3.1 in the case of Certificated Shareholders, whose Document(s) of Title will be restrictively endorsed under the Exchange Control Regulations, be posted to the registered addresses of the non-resident Prescient Shareholders concerned, unless written instructions to the contrary are received and an address provided. The attached Scheme Notification and transfer makes provision for a substitute address; or

2.3.3.2 in the case of Dematerialised Shareholders, be credited by their duly appointed CSDP or Broker directly to the accounts nominated by the Prescient Shareholders in terms of the provisions of the Custody Agreement with his/her/its CSDP or Broker.

2.3.4 **Information not provided**

If the information regarding the authorised dealer is not given or instructions are not given as required, the Stellar Capital Consideration Shares, the PFH Consideration Shares and/or the Prescient Distribution will be held by the Transfer Secretaries for the benefit of those Prescient Shareholders concerned, pending receipt of the necessary information or instructions.

3. **VOTING RIGHTS**

All the issued Prescient Shares rank *pari passu* with each other.

At the Scheme Meeting and the General Meeting, every Prescient Shareholder present or represented by proxy at the Scheme Meeting and the General Meeting shall have one vote on a show of hands, and on a poll shall have that number of votes determined in accordance with the voting rights associated with the Prescient Shares held by that Prescient Shareholder.

#### 4. RESPONSIBILITY STATEMENTS

##### 4.1 Independent Board

The Independent Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular which relates to the Scheme as well as the extracts of information relating to Prescient and the Proposed Transaction and certifies that, to the best of their knowledge and belief, such information is true and this Circular does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Independent Board has made all reasonable enquiries to ascertain that no facts have been omitted and this Circular contains all information required by law.

##### 4.2 Prescient

The Prescient Board, individually and collectively, accepts full responsibility for the accuracy of the information contained in this Circular which relates to Prescient and certifies that, to the best of its knowledge and belief, such information that relates to Prescient is true and this Circular does not omit any facts which would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Prescient Board has made all reasonable enquiries to ascertain that no facts have been omitted and this Circular contains all information required by law.

#### 5. TAX IMPLICATIONS

The tax implications of the Proposed Transaction on the Prescient Shareholders will depend on the individual circumstances of each independent Prescient Shareholder. Accordingly, Prescient Shareholders are advised to obtain independent tax advice in relation to the tax implications of the Proposed Transaction.

#### 6. COSTS

6.1 Other than as set out below, Prescient and PFH have not incurred any preliminary expenses within the three years preceding the date of this Circular with regards to the Proposed Transaction. The estimated expenses that are expected or have been provided for to implement with the Proposed Transaction are set out below:

	<b>R'000</b>
Bridge Capital – Sponsor fee	150
Stellar Capital – reimbursement of fees as agreed in the implementation agreement	2 750
Fee due to Murray Louw	1 000
PwC advisory fees	100
KPMG – Auditors' fees	410
CDH – Legal fees	220
CDH – Taxation advice	18
Crowe Horwath – Global transaction advice	15
Ansarada Data Room – Due diligence costs	38
Merchantec – Independent expert	120
TRP – Regulatory costs	200
JSE – Regulatory costs	45
FSB – Regulatory costs	100
Ince – Printing costs	176
Expense contingency	350
<b>Total</b>	<b>5 692</b>

6.2 All amounts are stated exclusive of VAT.

## 7. **ADVISORS' CONSENTS**

The advisors whose names appear in the sections "Corporate Information and Advisors" have all consented in writing to act in the capacities stated in this Circular and to their names being stated in this Circular and, in the case of the Independent Expert and Independent Reporting Accountants, reference to their report in the form and context in which they appear, and have not withdrawn their consent prior to the publication of this Circular.

## 8. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Shareholders at Prescient's registered office and the offices of the Transfer Secretaries (the addresses of which appear in the sections "Corporate Information and Advisors") during normal office hours from the date of posting of this Circular until the Scheme Meeting and General Meeting:

- 8.1 a signed copy of this Circular;
- 8.2 a signed copy of the report of the Independent Expert;
- 8.3 the MOI of Prescient;
- 8.4 the MOI of Stellar Capital;
- 8.5 the MOI of PFH;
- 8.6 the MOI of PBT Group (South Africa) Proprietary Limited;
- 8.7 the Implementation Agreement;
- 8.8 the Subscription Agreement;
- 8.9 the irrevocable undertakings from Prescient Shareholders;
- 8.10 the TRP approval letter;
- 8.11 the audited financial information of Stellar Capital for the year-ended 30 November 2015, 15 months ended 30 November 2014 and year-ended 31 August 2013 and unaudited interim financial information for the six months ended 31 May 2016;
- 8.12 the audited financial information of Prescient for the three years ended 31 March 2016, 31 March 2015 and 31 March 2014;
- 8.13 the audited financial information of PFH for the year-ended 31 March 2016, and the reviewed financial information of PFH for the two years ended 31 March 2015 and 31 March 2014;
- 8.14 the report of the Independent Reporting Accountant to Prescient on the *pro forma* financial information of Prescient;
- 8.15 the report of the Independent Reporting Accountant to Stellar Capital on the *pro forma* financial information of Stellar Capital;
- 8.16 the report of the Independent Reporting Accountant to PFH on the *pro forma* financial information of PFH; and
- 8.17 the written consents by the advisors.

## 9. **INCORPORATED BY REFERENCE**

The Prescient Consolidation Annual Financial Statements for the year-ended 31 March 2016 has been incorporated by reference and is available for viewing on the Company's website at <http://www.prescient.co.za/getpdf.php?itemid=1935> and is available for inspection at Prescient's registered office during business hours in accordance with the provisions of paragraph 8 above.

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## SECTION E: PRESCIENT SPECIFIC INFORMATION

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### 1. PURPOSE OF SECTION E

This section includes all specific information related to Prescient that is required to be disclosed in terms of the JSE Listings Requirements as well as the TRP.

### 2. INCORPORATION OF PRESCIENT

Prescient was incorporated in South Africa in 1998 as a limited liability public Company. The Company was reverse listed on the JSE in 2012.

### 3. HISTORY AND NATURE OF BUSINESS

Prescient Limited has a long history on the JSE, starting its incorporation as Wooltru Limited in 1936. Following the unbundling of Woolworths and Truworths from Wooltru Limited in 2002, Wooltru Limited remained as a cash shell. The PBT Group reverse listed into Wooltru Limited in 2010 which resulted in the name change to PBT Group Limited. The group was no longer a cash shell and became a fully fledged operating group within the ICT sector on the JSE.

A further reverse acquisition of Prescient Holdings Proprietary Limited into PBT Group Limited in 2012 resulted in a further name change to Prescient Limited and a transfer into the financial services sector. The group has operated as Prescient Limited since 2012.

Two main operating segments currently make up Prescient Limited – a Financial Services segment and an Information Management Services segment, operating as PBT Group. The two businesses contribute to the diversity of the Group in terms of geography, assets, markets, revenue sources, skills and experience.

Both businesses demand a high level of intellectual capital while requiring relatively low levels of financial capital. Prescient has a long-standing and loyal client base in both segments and a robust business structure to facilitate continued growth. Today, Prescient Limited is a multinational business whose operations span sub-Saharan Africa, Europe, Australia and Asia.

Prescient's financial services operations today include investment management, fund services and administration, stockbroking, wealth management and retail and institutional retirement and insurance products.

The information management services business is a key provider of information management and business intelligence consulting, application development and data integration solutions.

The contributions to total income, profit from operations, profit before tax and profit after tax of the two operating segments are included in the table below:

<b>R'000</b>	<b>Prescient<sup>1</sup></b>	<b>Financial services operations<sup>2</sup></b>	<b>Information management services<sup>3</sup></b>
Total income	910 400	379 105	531 295
Profit from operations	173 209	135 418	37 791
Profit before tax	166 294	125 333	40 961
Profit after tax	119 092	98 518	20 574

1. Prescient financial information as per information disclosed in **Annexure 4**.

2. Financial services operations' financial information is as per the financial information of PFH and PFSI disclosed in **Annexure 10**.

3. The information management services' financial information is the remainder.

#### 4. PROSPECTS

Following the Proposed Transaction and the proposed Name Change, Prescient Limited will be renamed to PBT Group Limited which will be more reflective of the future operations of the remaining group. PBT will consist of its traditional operations, which span the information management services segment as well as medical aid administration software and services. The group has also established a well-integrated application development competency and will continue to expand this service offering. The PBT Group foresees significant opportunities in all areas of operation and will capitalise on the strong brand that has been created as well as the high level of skills and professionalism that their staff complement offer. Demand for the group's services remain strong, however, the challenges facing the group will revolve around managing the significant levels of business in domiciles outside of South Africa. The bulk of this revenue is derived through a large number of fixed price projects, resulting in the corresponding risk of failure to implement profitably. Whilst the foreign currency earnings are a strong diversification benefit, the geo-political landscape is likely to provide challenges in terms of managing costs and collections on the African continent. PBT management are consistently seeking additional opportunities outside of the African continent and this has been seen in the growth of a London-based operation as well as through the strong relationship that PBT Australia has with its clients.

On the domestic front demand remains very strong and the technology-agnostic service offerings will allow the group to cement its position as an independent and reliable service provider, maximising opportunities as they arise.

The post transaction PBT Group will look to consolidate its underlying investments, which will include a restructuring of Prescient Capital, the Company within the group that has traditionally held non-core investment and property assets. This restructuring is likely to result in a realisation of those non-core holdings which will allow PBT to recapitalise and put in place a sustainable capital structure going forward.

Over the last number of years PBT has successfully acquired and integrated BI Blue Consulting Proprietary Limited (SAP competency) Cyberpro Consulting Proprietary Limited (Microsoft competency) as well as Technique Business Intelligence Software Proprietary Limited (IBM competency). These acquisitions complemented its established strong Oracle competency. In the near future PBT plans to explore complementary small to medium sized acquisitions in South Africa to diversify its established revenue streams.

Despite Brexit (the United Kingdom (UK) intends to withdraw from the European Union ("EU"), a process commonly known as Brexit, as a result of a June 2016 referendum in which 52% voted to leave the EU), PBT is of the view that it is worthwhile to explore opportunities in the UK market. New technologies, language, good relations and a similar time zone should prove to be positive factors in realising this goal.

The group will also look to perform a share consolidation whereby the shares in issue will be consolidated.

#### 5. SHARE CAPITAL

The authorised and issued capital of Prescient at the Last Practicable Date, is set out below:

	<b>2016 Number</b>
<b>Authorised</b>	
2 000 000 000 no par value shares (2015: 2 000 000 000 no par value shares)	2 000 000 000
<b>Issued, allotted and fully paid</b>	
<b>Number of ordinary shares</b>	
In issue at 1 April	1 648 655 093
Issue of FSP shares	18 806 000
Capitalisation distribution	1 789 857
In issue at 31 March	1 669 250 950

1. All issued Prescient Shares are listed on the Main Board of the JSE.
2. There is no share premium.

## 6. MAJOR SHAREHOLDERS

As at the Last Practicable Date, insofar as is known to Prescient, the following Shareholders had greater than a 5% indirect and/or direct beneficial shareholding in Prescient:

	Direct	Indirect	Total number of shares	%
Herman Steyn	–	329 027 231	329 027 231	19.71
Clearstream Banking S.A. Luxembourg	167 000 000	–	167 000 000	10.00
Guy Toms	2 104 771	283 814 784	285 919 555	17.13
Seena Marina Financial Services Proprietary Limited	99 201 824	–	99 201 824	5.94

## 7. WORKING CAPITAL STATEMENT AND SOLVENCY AND LIQUIDITY TEST

The Prescient Board is of the opinion that pursuant to the implementation of the PFH Subscription the working capital available to Prescient and its remaining subsidiaries is sufficient for the Prescient's present requirements, that is for the next 12 months from the Last Practicable Date. In addition, the Prescient Directors have considered the solvency and liquidity assessment, read with section 45 of the Companies Act and are satisfied that the Company satisfies the solvency and liquidity assessment.

## 8. INTERESTS AND DEALINGS IN SECURITIES

### 8.1 Prescient's interests in Stellar Capital

As at the Last Practicable Date, Prescient had no interest in any Stellar Capital Shares.

### 8.2 Prescient's interests in PFH

As at the Last Practicable Date, Prescient held 100% of the PFH Ordinary Shares.

## 9. STATEMENT OF DIRECTORS' INTERESTS

### 9.1 Prescient Directors' interests in Prescient

The direct and indirect beneficial interests of Prescient's directors and their associates in Prescient Shares, including directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below:

2016	Direct beneficial	Indirect beneficial	FSP shares	%
<b>Ordinary shares</b>				
Herman Steyn	–	329 027 321	–	19.71
Michael Buckham		8 518 520	1 000 000	0.60
Murray Louw	1 289 237	2 972 113	–	0.3
Ronell van Rooyen	–	19 757 187	–	1.20
Zane Meyer	–	386 733	–	0.02

## 9.2 Prescient's Directors' dealings in Prescient

The following Prescient Directors dealt in Prescient Shares in the 12-month period prior to the Last Practicable Date:

2016	Nature of holding	Nature of trade	Date of trade	Trading price (cents)	Number of shares
<b>Ordinary shares</b>					
Michael Buckham	Direct	Allocation of FSP shares	7 September 2015	1.00	1 000 000
Murray Louw	Indirect	Capitalisation Dividend	10 February 2016	1.037779	79 440
Ronell van Rooyen	Indirect	Capitalisation Dividend	10 February 2016	1.037779	528 079
Herman Steyn	Direct	Purchase	24 February 2016	0.83	861
Herman Steyn	Direct	Purchase	25 February 2016	0.83	15 000
Herman Steyn	Direct	Purchase	26 February 2016	0.84	13 235
Herman Steyn	Direct	Purchase	26 February 2016	0.85	46 480
Herman Steyn	Indirect	Sale	22 July 2016	0.98	272 394 774
Herman Steyn	Indirect	Purchase	22 July 2016	0.98	272 394 774
Michael Buckham	Direct	Sale	11 August 2016	0.96	8 518 520
Michael Buckham	Indirect	Purchase	11 August 2016	0.96	8 518 520
Murray Louw	Indirect	Sale	11 August 2016	0.96	1 289 237
Murray Louw	Direct	Purchase	11 August 2016	0.96	1 289 237

## 9.3 Directors' interests in the Proposed Transaction

Murray Louw has a direct interest in the Proposed Transaction due to the R1 000 000 payment he will receive from Prescient for introducing Prescient management to Stellar Capital management. This fee is contingent on the successful completion of the Proposed Transaction. Murray Louw does not hold any shares in Stellar Capital. Murray Louw will not be involved in the management of either PFH or Stellar Capital after the successful completion of the Proposed Transaction.

No other Prescient Directors had any interest, direct or indirect, in this or any transaction which was effected by the Company during the current or immediately preceding financial year or in an earlier year and which remains in any respect outstanding or unperformed.

## 10. REMUNERATION OF DIRECTORS

### 10.1 Remuneration of Prescient Directors

The remuneration of Prescient Directors in their capacity as Prescient Directors will in no way be affected as a result of the Proposed Transaction.

## 11. SERVICE AGREEMENTS

There are no service contracts in place between any Prescient Director and/or proposed Prescient Director on the one hand and Prescient or with any of its Subsidiaries on the other hand. There are no service contracts entered into or amended within six months before the Last Practicable Date. Executive Directors do not receive fees for their services as Directors.

## 12. LITIGATION

There are no material legal or arbitration proceedings against Prescient (including any such proceedings that are pending or threatened), of which the directors are aware which may have or have had during the 12 months preceding the date of this Circular, a material effect on Prescient's financial position.

### 13. MATERIAL CHANGES

There has been no material change in the financial or trading position of Prescient that has occurred since the release of the Company's annual financial statements in respect of the year-ended 31 March 2016.

### 14. MATERIAL CONTRACTS AND LOANS

Save for the Implementation Agreement and Implementation Agreements relating to the Proposed Transaction, neither Prescient nor any of its Subsidiaries have entered into, either verbally or in writing any restrictive funding arrangements and/or material contract, other than in the ordinary course of business, within the two years prior to the Last Practicable Date, or at any time, and containing an obligation or settlement that is material to the Company at the Last Practicable Date.

There were no material loans that were made to Prescient by third parties directly as a result of the Proposed Transaction, as at the Last Practicable Date.

### 15. FINANCIAL INFORMATION OF PRESCIENT

#### 15.1 Historical financial information

Extracts from the audited financial information of Prescient for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 are included in **Annexure 4** to this Circular in terms of the TRP disclosure requirements. The complete sets of financial statements can be obtained from Prescient's website. Refer to Section D paragraph 9.

#### 15.2 *Pro forma* financial effects of the Proposed Transaction

15.2.1 The table below sets out the *pro forma* financial effects of the Proposed Transaction. *Pro forma* financial effects are presented in respect of the year-ended 31 March 2016 for purposes of the Companies Act, Regulation 106 requirements and the Listings Requirements.

15.2.2 The *pro forma* consolidated statement of comprehensive income for the year-ended 31 March 2016 and *pro forma* consolidated statement of financial position at 31 March 2016 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Proposed Transaction on the financial position of Prescient. Due to its nature, the *pro forma* financial information may not fairly present Prescient's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share for the year-ended 31 March 2016, the Proposed Transaction was implemented on 1 April 2015; and
- for the purpose of calculating net asset value per share and net tangible asset value per share at 31 March 2016, the Proposed Transaction was implemented on 31 March 2016;.

15.2.3 The *pro forma* financial information has been prepared using the most recent published annual financial statements of Prescient for the year-ended 31 March 2016 in accordance with the Companies Act and the JSE Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

15.2.4 The accounting policies of Prescient have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Prescient for its latest annual financial statements for the year-ended 31 March 2016 and the accounting policies herein have been applied on the same basis.

15.2.5 The directors of Prescient are responsible for the preparation of the *pro forma* financial information contained in this Circular.

15.2.6 The detailed *pro forma* financial information and notes thereto as a result of the Proposed Transaction is contained in **Annexure 2** to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 3** to this Circular.



	Year ended 31 March 2016		% Change
	Before the Proposed Transaction	After the Proposed Transaction	
Profit for the period (R'000)	119 092	1 142 544	859.38
Headline earnings for the period (R'000)	120 758	16 548	(86.30)
Basic earnings per share (cents)	6.69	71.10	962.68
Diluted basic earnings per share (cents)	6.69	71.10	962.68
Headline earnings per share (cents)	6.79	0.76	(88.85)
Diluted headline earnings per share (cents)	6.79	0.76	(88.85)
Net asset value per share (cents)	0.52	0.32	(37.97)
Net tangible asset value per share (cents)	0.28	0.13	(54.70)
Weighted average number of shares in issue ('000)	1 600 001	1 600 001	–
Shares in issue at the end of the period ('000)	1 669 251	1 669 251	–

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## SECTION F: PFH SPECIFIC INFORMATION

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### 1. PURPOSE OF SECTION F

This section includes all specific information related to PFH that is required to be disclosed in terms of the JSE Listings Requirements as well as the TRP.

### 2. NAME, ADDRESS AND INCORPORATION

Prescient Holdings Proprietary Limited, registration number 1998/023559/07, a limited liability private Company duly incorporated in the Republic of South Africa in 1998.

#### Registered office

Prescient House  
Westlake Business Park, Otto Close  
Westlake, 7945  
South Africa  
(PO Box 31142, Tokai, 7966)

### 3. NATURE OF BUSINESS

PFH is a wholly owned subsidiary of Prescient. PFH's operations comprise investment management, fund services and administration, stockbroking, wealth management and retail and institutional retirement and insurance products. PFH provides services to both institutional and retail investors.

### 4. PROSPECTS

Post transaction, PFH will be an unlisted entity with a focused shareholder base consisting primarily of staff and management and a new strategic partner in Stellar Capital. This restructure is a key rationale for the Proposed Transaction as its shareholders will be closely aligned to the future performance of PFH and the introduction of Stellar Capital will provide a strong shareholder with a good network of relationships that will benefit PFH going forward.

In respect of the operating entities, AUM and AUA have increased steadily towards the end of the previous financial year thereby bolstering the base for the future. In investment management, performance continues to improve across most mandates and a much larger presence in the retail market will form the basis for good growth. The offerings are very well priced in an industry that is currently focused on cost-effective solutions.

The fund services offerings continue to expand and the addition of our hedge fund capability will enhance the ability to provide all the necessary services for investment managers that offer traditional and alternative investments to their clients. PFH has also continued to enhance the reporting capabilities in the fund services space which will continue reducing clients' burden when it comes to their reporting to their clients.

Prescient Life Limited is well poised for the take up of its broader product range. The products have been steadily refined, administrative capability has been expanded and the regulatory framework under Solvency Assessment and Management has been carefully considered in terms of the Company's growth.

For Prescient Securities, the industry remains challenging and very competitive, but management remains positive about its research offering, trading capabilities and improved BEE credentials through recent empowerment transactions entered into.

### 5. DETAILS OF HISTORICAL FINANCIAL INFORMATION AND MATERIAL LOANS

Details of material loans to or by PFH and any of its subsidiaries are as detailed in note 17 in the Report of Historical Financial Information on PFH contained in **Annexure 12** of this Circular. There were no material loans that were made to PFH by third parties directly as a result of the PFH Subscription, as at the Last Practicable Date.

## 6. LITIGATION

There are currently no legal or arbitration proceedings, including any such proceedings that are pending or threatened, which may have, or have had, a material effect on the PFH financial position during the 12 months preceding the date of this Circular, of which the Company is aware.

## 7. MATERIAL CHANGES

Save for the PFH Subscription there have been no material changes in the financial position of PFH and its subsidiaries between the date of the last audited results of PFH for the year-ended 31 March 2016 and the Last Practicable Date.

## 8. MATERIAL CONTRACTS

Save for the Subscription and Implementation Agreements relating to the Proposed Transaction, neither PFH nor any of its Subsidiaries have entered into, either verbally or in writing any restrictive funding arrangements and/or material contract, other than in the ordinary course of business, within the two years prior to the Last Practicable Date, or at any time, and containing an obligation or settlement that is material to the Company at the Last Practicable Date.

## 9. MEMORANDUM OF INCORPORATION

The New PFH MOI will not frustrate Prescient in any way from compliance with its obligations in terms of the Listings Requirements.

## 10. FINANCIAL INFORMATION OF PFH

### 10.1 Historical financial information

Extracts from the audited financial information of PFH for the year-ended 31 March 2016, and the reviewed historical financial information of PFH for the two years ended 31 March 2015 and 31 March 2014 are included in **Annexure 12** to this Circular.

### 10.2 Pro forma financial effects of the Proposed Transaction

10.2.1 The table below sets out the *pro forma* financial effects of the Proposed Transaction. *Pro forma* financial effects are presented in respect of the year-ended 31 March 2016 for purposes of the Companies Act, Regulation 106 requirements and the Listing Requirements.

10.2.2 The *pro forma* consolidated statement of comprehensive income for the year-ended 31 March 2016 and *pro forma* consolidated statement of financial position at 31 March 2016 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Proposed Transaction on the financial position of PFH. Due to its nature, the *pro forma* financial information may not fairly present PFH's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share for the year-ended 31 March 2016, the Proposed Transaction was implemented on 1 April 2015; and
- for the purpose of calculating net asset value per share and net tangible asset value per share at 31 March 2016, the Proposed Transaction was implemented on 31 March 2016;.

10.2.3 The *pro forma* financial information has been prepared using the most recent annual financial statements of PFH for the year-ended 31 March 2016 in accordance with Companies Act and the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

10.2.4 The accounting policies of PFH have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by PFH for its latest annual financial statements for the year-ended 31 March 2016 and the accounting policies herein have been applied on the same basis.

- 10.2.5 The directors of PFH are responsible for the preparation of the *pro forma* financial information contained in this Circular.
- 10.2.6 The detailed *pro forma* financial information and notes thereto as a result of the Proposed Transaction is contained in **Annexure 10** to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 11** to this Circular.

	Year ended 31 March 2016		
	Before the Proposed Transaction	After the Proposed Transaction	% change
Profit for the period (R'000)	93 353	98 108	5.09
Headline earnings (R'000)	93 353	98 108	5.09
Basic earnings per share (cents)	5.29	5.57	5.39
Diluted basic earnings per share (cents)	5.29	5.57	5.39
Headline earnings per share (cents)	5.29	5.57	5.39
Diluted headline earnings per share (cents)	5.29	5.57	5.39
Net asset value per share (cents)	17.32	19.00	9.69
Net tangible asset value per share (cents)	12.81	14.49	13.10
Weighted average number of shares in issue ('000)	1 669 251	1 669 251	–
Shares in issue at the end of the period ('000)	1 669 251	1 669 251	–

## SECTION G: STELLAR CAPITAL SPECIFIC INFORMATION

### 1. PURPOSE OF SECTION G

This section includes all specific information related to Stellar Capital that is required to be disclosed in terms of the JSE Listings Requirements as well as the TRP.

### 2. INTERESTS AND DEALINGS IN SECURITIES

#### 2.1 Stellar Capital's interests in Prescient

As at the Last Practicable Date, Stellar Capital had no interest in any Prescient Shares.

#### 2.2 Stellar Capital's interests in PFH

As at the Last Practicable Date, Stellar Capital had no interest in any PFH Shares.

### 3. STATEMENT OF DIRECTORS' INTERESTS

#### 3.1 Stellar Capital Directors' interests in Stellar Capital

The direct and indirect beneficial interests of the Stellar Capital's directors and their associates in Stellar Capital Shares, including directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below.

Director	Ordinary shares Beneficial		Total	Total %
	Direct	Indirect		
<b>Executive directors</b>				
CE Pettit <sup>1</sup>	–	–	–	–
CB de Villiers	146 475	–	146 475	0.02
<b>Non-executive directors</b>				
PJ van Zyl <sup>1</sup>	–	–	–	–
DD Tabata <sup>~</sup>	–	1 082 658	1 082 658	0.12
L Mangope	–	–	–	–
J de Bruyn	–	–	–	–
CC Wiese <sup>#</sup>	–	17 239 711	17 239 711	1.85
CH Wiese <sup>*</sup>	–	17 239 711	17 239 711	1.85
CJ Roodt	–	–	–	–
M Wentzel	–	–	–	–
<b>Total</b>	<b>146 475</b>	<b>35 562 080</b>	<b>35 708 555</b>	<b>3.84</b>

<sup>1</sup> CE Pettit changed his role to CEO and PJ van Zyl changed his role to non-executive director with effect from 5 October 2015

<sup>~</sup> Reflects the effective shareholding held through Green Tree Investments 306 Proprietary Limited.

<sup>#</sup> Reflects the effective shareholding held through Metcap 14 Proprietary Limited.

<sup>\*</sup> Resigned on 11 April 2016. Reflects the effective shareholding held through Cream Magenta 140 Proprietary Limited.

Director	Preference shares Beneficial			Total %
	Direct	Indirect	Total	
<b>Executive directors</b>	–	–	–	–
CE Pettit	–	–	–	–
CB de Villiers	–	–	–	–
<b>Non-executive directors</b>	–	–	–	–
PJ van Zyl	–	–	–	–
DD Tabata	–	–	–	–
L Mangope	–	–	–	–
J de Bruyn	–	–	–	–
CC Wiese <sup>#</sup>	–	94	94	15.67
CH Wiese <sup>*</sup>	–	94	94	15.67
CJ Roodt	15	–	15	2.50
M Wentzel	–	–	–	–
<b>Total</b>	<b>15</b>	<b>188</b>	<b>203</b>	<b>33.83</b>

<sup>#</sup> Reflects the effective shareholding held through Metcap 14 Proprietary Limited.

<sup>\*</sup> Resigned on 11 April 2016. Reflects the effective shareholding held through Cream Magenta 140 Proprietary Limited.

### 3.2 Stellar Capital Directors' dealings in Stellar Capital

The following Stellar Capital directors dealt in Stellar Capital Shares during the preceding 12-month period prior to the Last Practicable Date.

2016	Nature of holding	Purchase/sale	Date of trade	Trading price (cents)	Number of shares
<b>Ordinary shares</b>					
CB de Villiers	Direct	Purchase	18 August 2015	2.00	19 800
CB de Villiers	Direct	Purchase	7 November 2015	2.00	19 800
<b>Preference shares</b>					
CJ Roodt	Direct	Purchase	30 November 2015	1 000 000	15
CC Wiese	Indirect	Purchase	30 November 2015	1 000 000	94
CH Wiese	Indirect	Purchase	30 November 2015	1 000 000	94

## 4. REMUNERATION OF DIRECTORS

### 4.1 Remuneration of Stellar Capital directors

The remuneration of the Stellar Capital directors in their capacity as Stellar Capital Directors will in no way be affected as a result of the Scheme.

## 5. FINANCIAL INFORMATION FOR STELLAR CAPITAL

### 5.1 Historical financial information

Extracts from the audited financial information of Stellar Capital for the year-ended 30 November 2015, the 15 months ended 30 November 2014 and year-ended 31 August 2013 and unaudited historical financial information for the six months ended 31 May 2016, are included in **Annexure 9** to this Circular.

## 5.2 **Pro forma financial effects of the Scheme – based on the year-ended 30 November 2015**

- 5.2.1 The table below sets out the *pro forma* financial effects of the Proposed Transaction.
- 5.2.2 The *pro forma* consolidated statement of comprehensive income for the year-ended 30 November 2015 and *pro forma* consolidated statement of financial position at 30 November 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Proposed Transaction on the financial position and financial results of Stellar Capital. Due to its nature, the *pro forma* financial information may not fairly present Stellar Capital's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:
- 5.2.2.1 for the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented on 1 December 2014; and
  - 5.2.2.2 for the purpose of calculating net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 30 November 2015;
  - 5.2.2.3 in preparing the *pro forma* financial information, Stellar Capital has also included the financial effects for other investment transactions that have been announced and/or implemented post 30 November 2015 up to the date of the Proposed Transaction. These are detailed in **Annexure 6** and relate to investments and disposals associated with Tellumat Proprietary Limited, Cadiz Holdings Limited, Torre Industries Limited and Amalgamated Electronic Corporation Limited.
- 5.2.3 The *pro forma* financial information has been prepared using the most recent published annual financial statements of Stellar Capital for the year-ended 30 November 2015 in accordance with the Companies Act and guidelines issued by the South African Institute of Chartered Accountants.
- 5.2.4 The accounting policies of Stellar Capital have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Stellar Capital for its latest annual financial statements for the year-ended 30 November 2015 and the accounting policies herein have been applied on the same basis. Investments are not consolidated in terms of IFRS 10.
- 5.2.5 The Stellar Capital Directors are responsible for the preparation of the *pro forma* financial information contained in this Circular. Stellar Capital applies fair value accounting in terms of IFRS 10 for Investment Entities to all designated investments at each reporting date. The changes in fair value are reflected as a gain or loss in the income statement for the period. In determining fair value, the principles contained in IFRS 13: *Fair Value* are applied.

- 5.2.6 The detailed *pro forma* financial information and notes thereto as a result of the Proposed Transaction is contained in Annexure 6 to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 8** to this Circular.

	Year ended 30 November 2015 Before	Year ended 30 November 2015 after adjustment for events after the reporting date	Change %	After Scheme	Change %
Basic loss per ordinary share from continuing operations (cents)	(9.36)	0.86	109.2	(2.71)	413.7
Diluted basic loss per ordinary share from continuing operations (cents)	(9.36)	0.66	107.1	(2.71)	507.6
Headline loss per ordinary share from continuing operations (cents)	(4.69)	2.79	159.6	(1.57)	156.0
Diluted headline loss per ordinary share from continuing operations (cents)	(4.69)	2.15	145.9	(1.57)	172.8
Basic loss per ordinary share from discontinued operations (cents)	(2.93)	(1.21)	58.6	(0.72)	41.0
Diluted basic loss per ordinary share from discontinued operations (cents)	(2.93)	(0.93)	68.1	(0.72)	23.3
Headline loss per ordinary share from discontinued operations (cents)	(1.28)	(0.53)	58.6	(0.31)	41.0
Diluted headline loss per ordinary share from discontinued operations (cents)	(1.28)	(0.41)	68.1	(0.31)	23.3
Weighted average number of shares	298 534 243	721 200 549	141.6	1 222 190 566	69.5
Diluted weighted average number of shares	298 534 243	937 027 887	213.9	1 222 190 566	30.4
Total asset value per share (Rand)	2.67	2.73	2.3	2.44	(10.7)
Net asset value per share (Rand)	2.03	2.26	11.0	2.09	(7.2)
Tangible net asset value per share (Rand)	2.03	2.25	11.1	2.09	(7.2)

- 5.2.7 As not all the Stellar Consideration Shares may be issued by Stellar Capital, *pro forma* financial effects for three scenarios (being 40%, 20% and 0% election take-up of the Stellar Capital Consideration Shares) has been presented in **Annexure 6** to this Circular.



### 5.3 **Pro forma financial effects of the Scheme – based on the six months ended 31 May 2016**

- 5.3.1 The table below sets out the *pro forma* financial effects of the Proposed Transaction.
- 5.3.2 The *pro forma* consolidated statement of comprehensive income for the period ended 31 May 2016 and *pro forma* consolidated statement of financial position at 31 May 2016 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of Stellar Capital. Due to its nature, the *pro forma* financial information may not fairly present Stellar Capital's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:
- 5.3.2.1 for the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented on 1 December 2015;
  - 5.3.2.2 for the purpose of calculating total asset value per share, net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 31 May 2016; and
  - 5.3.2.3 in preparing the *pro forma* financial information, Stellar Capital has also included the financial effects for other investment transactions that have been announced and/or implemented post 31 May 2016 up to the date of the Proposed Transaction. These are detailed in **Annexure 7** and relate to investments and disposals associated with Tellumat Proprietary Limited and Cadiz Holdings Proprietary Limited, Torre Industries Limited and Amalgamated Electronic Corporation Limited.
- 5.3.3 The *pro forma* financial information has been prepared using the most recent published interim financial statements of Stellar Capital for the period ended 31 May 2016 in accordance with the JSE Listings Requirements, Companies Act and guidelines issued by the South African Institute of Chartered Accountants.
- 5.3.4 The accounting policies of Stellar Capital have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Stellar Capital for its latest interim financial statements for the period ended 31 May 2016 and the accounting policies herein have been applied on the same basis. Investments are not consolidated in terms of IFRS 10.
- 5.3.5 The directors of Stellar Capital are responsible for the preparation of the *pro forma* financial information contained in this Circular.
- 5.3.6 The detailed *pro forma* financial information and notes thereto as a result of the Scheme is contained in **Annexure 7** to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 8** to this Circular.

	<b>Period ended 31 May 2016 Before</b>	<b>Period ended 31 May 2016 after adjustment for events after the reporting date</b>	<b>Change %</b>	<b>After Scheme</b>	<b>Change %</b>
Basic loss per ordinary share from continuing operations (cents)	(46.74)	(58.12)	(24.4)	(49.7)	14.4
Diluted basic loss per ordinary share from continuing operations (cents)	(46.74)	(58.12)	(24.4)	(49.7)	14.4
Headline loss per ordinary share from continuing operations (cents)	(46.74)	(61.59)	(31.8)	(52.6)	14.6
Diluted headline loss per ordinary share from continuing operations (cents)	(46.74)	(61.59)	(31.8)	(52.6)	14.6
Basic loss per ordinary share from discontinued operations (cents)	–	–	–	–	–
Diluted basic loss per ordinary share from discontinued operations (cents)	–	–	–	–	–
Headline loss per ordinary share from discontinued operations (cents)	–	–	–	–	–
Diluted headline loss per ordinary share from discontinued operations (cents)	–	–	–	–	–
Weighted average number of shares	923 139 053	1 131 656 702	22.6	1 382 151 711	22.1
Diluted weighted average number of shares	923 139 053	1 131 656 702	22.6	1 382 151 711	22.1
Total asset value per share (Rand)	2.22	2.19	(1.6)	2.04	(6.6)
Net asset value per share (Rand)	1.57	1.73	10.5	1.71	(1.2)
Tangible net asset value per share (Rand)	1.57	1.73	10.5	1.71	(1.2)

5.3.7 As not all the Stellar Consideration Shares may be issued by Stellar Capital, *pro forma* financial effects for three scenarios (being 40%, 20% and 0% election take-up of the Stellar Capital Consideration Shares) has been presented in **Annexure 7** to this Circular.

**Note the Circular includes the following Sections A to F, the annexures, the notices and the forms of proxy and election, and should be read in its entirety.**

**SIGNED AT CAPE TOWN ON BEHALF OF THE PRESCIENT BOARD ON 30 SEPTEMBER 2016 IN TERMS OF RESOLUTIONS PASSED BY THE BOARD.**

By order of the Board

**Prescient Limited**

**M Buckham**

*Chief Financial Officer*

Friday, 30 September 2016

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## REPORT OF THE INDEPENDENT EXPERT

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The Directors  
 Prescient Limited  
 Prescient House  
 Westlake Business Park  
 Otto Close  
 Cape Town  
 7945

23 September 2016

Dear Sirs

### **INDEPENDENT EXPERT REPORT TO THE INDEPENDENT BOARD OF DIRECTORS OF PRESCIENT LIMITED (“PRESCIENT” OR “THE COMPANY”) IN RESPECT OF A CASH DISTRIBUTION BY THE COMPANY TO PRESCIENT SHAREHOLDERS (THE “SCHEME PARTICIPANTS”) (“THE PRESCIENT DISTRIBUTION”)**

#### **INTRODUCTION**

Prescient and Stellar Capital Partners Limited (“**Stellar Capital**”) have entered into an implementation agreement and subscription agreement in terms of which Stellar Capital will subscribe for Prescient Holdings Proprietary Limited, a wholly-owned subsidiary of Prescient (“**PFH**”), “B” ordinary shares for a total amount of R1 427 821 549 (“**PFH Subscription Price**”) and Prescient will declare a cash distribution of the same amount to Prescient shareholders.

Prescient shareholders will be entitled to, at their election, instruct Prescient to:

- settle and make payment of the Prescient Distribution in cash, net of dividends withholdings tax (“**DWT**”) (if applicable), being a gross amount of R1 427 821 549. The Prescient Distribution per Prescient share will be calculated based on the issued Prescient shares as at the operative date (“**Cash Election**”);
- apply on behalf of a Prescient shareholder who has so elected, the whole or part of the cash Prescient Distribution, net of DWT (if applicable), to acquire PFH “B” shares from Stellar Capital at the same valuation that Stellar Capital acquired them in terms of the subscription agreement. The effective shareholding in PFH will be calculated as the ratio of the Prescient Distribution (net of any applicable taxes) to the PFH Subscription Price (“**PFH “B” Share Election**”); and/or
- apply on behalf of a Prescient shareholder who has so elected, the whole or part of the cash Prescient Distribution, net of DWT (if applicable), to subscribe for newly issued Stellar Capital ordinary shares on behalf of such Prescient shareholders at an issue price of R1.71 per share, being the volume weighted average traded price of the Stellar Capital Shares on the JSE over the 30 JSE trading days immediately preceding the date of publication of the Terms Announcement (“**Stellar Share Election**”);

or failing election, the Scheme Participants shall be deemed to have elected to instruct Prescient to apply their Prescient Distribution on their behalf, net of DWT (if applicable) to subscribe for Stellar Capital shares.

The application of the Prescient Distribution will be implemented by way of a scheme of arrangement with Prescient shareholders in terms of the requirements of Sections 114 and 115 of the Companies Act, 71 of 2008, as amended from time to time (the “**Companies Act**”).

In terms of section 114 of the Companies Act, the Company must retain an independent expert, who meets the requirements set out in section 114(2) of the Companies Act, to compile a report as required by section 114(3) of the Companies Act (the “**Independent Expert Report**”).

In accordance with section 114 of the Companies Act, Merchantec Proprietary Limited (“**Merchantec Capital**”) has been appointed by the Company as the Independent Expert to independently determine whether, by using the information and assumptions available, the Prescient Distribution is fair and reasonable to Scheme Participants.

## **INDEPENDENT EXPERT'S REPORT REQUIRED IN RESPECT OF THE PRESCIENT DISTRIBUTION**

As the application of the Prescient Distribution will be implemented by way of a scheme of arrangement with Prescient shareholders in terms of the Companies Act, the Prescient Distribution is subject to the provisions of section 114 of the Companies Act. The directors of Prescient are required to appoint an independent expert in terms of section 114 of the Companies Act to prepare a report documenting the effects of the Prescient Distribution on the Scheme Participants.

Merchantec Proprietary Limited ("Merchantec Capital") has been appointed by the independent board of directors of Prescient ("Independent Board") as the independent expert to provide advice to the Independent Board and the Scheme Participants, required in terms of section 114 of the Companies Act, in respect of the Prescient Distribution.

### **RESPONSIBILITY**

Compliance with the Companies Act is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board and the Scheme Participants on the fairness and reasonableness of the terms and conditions of the Prescient Distribution.

### **DEFINITION OF THE TERMS "FAIR" AND "REASONABLE"**

The "fairness" of a transaction is based on quantitative issues. The Prescient Distribution may be said to be fair if the fair value received by Scheme Participants under each of the elections, considered separately, is greater than or equal to the value of the Cash Election, or unfair if the fair value received is less than the value of the Cash Election.

The assessment of "reasonableness" of the consideration receivable is based on qualitative factors around PFH and Stellar Capital, the prospects of the businesses, the Stellar Capital share price and the terms of the Prescient Distribution.

The Prescient Distribution may be said to be reasonable if the qualitative aspects and prospects of the Company will improve based on the successful completion of the Prescient Distribution. Under the Stellar Share Election, it may also be said to be reasonable if the fair value of Stellar Capital ordinary shares is greater than or equal to the Stellar Capital share price.

### **DETAIL AND SOURCES OF INFORMATION**

In arriving at our opinion we have relied upon the following principal sources of information:

- the subscription agreement between Stellar Capital, PFH and Prescient;
- the implementation agreement between Stellar Capital, PFH and Prescient;
- audited annual financial statements of Prescient for the years ended 31 March 2014, 31 March 2015 and 31 March 2016;
- audited historical financial information of PFH for the year-ended 31 March 2016;
- reviewed historical financial information of PFH for the two years ended 31 March 2014 and 31 March 2015;
- management accounts of PFH for the years ended 31 March 2014, 31 March 2015 and 31 March 2016;
- management accounts for the subsidiaries of PFH for the three months ended 30 June 2016;
- audited annual financial statements of Stellar Capital for the years ended 30 November 2014 and 30 November 2015;
- unaudited interim results of Stellar Capital for the six months ended 31 May 2016;
- discussions with management of Prescient and Stellar Capital regarding the historic financial information;
- the Prescient circular to shareholders regarding, *inter alia*, the Prescient Distribution; and
- publicly available information relating to the industries that we deemed relevant.

The information above was obtained from:

- directors and management of Prescient and Stellar Capital; and
- third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing PFH and Stellar Capital.

## **PROCEDURES**

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Prescient Distribution:

- reviewed the terms and conditions of the Prescient Distribution;
- reviewed the audited and unaudited historical financial information of the underlying assets in PFH and Stellar Capital;
- forecast an income statement, capital expenditure, working capital and ultimately cash flows for PFH based on historical audited and reviewed financial information and market conditions;
- held discussions with management of Prescient and Stellar Capital and considered such other matters as we considered necessary;
- applied a weighted average cost of capital to the forecasts to produce a discounted cash flow valuation for PFH;
- applied an adjusted industry average enterprise value to EBITDA ratio to the sustainable EBITDA of PFH to establish an EBITDA valuation;
- performed a sensitivity analysis on key assumptions included in the discounted cash flow valuation for PFH;
- performed a “sum of the parts” valuation on Stellar Capital based on the market value of listed underlying investments where applicable and a market approach valuation for unlisted investments;
- evaluated the relative risks associated with investment companies; and
- obtained the strategies for the PFH and Stellar Capital businesses and rationale for the Prescient Distribution and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the appropriate industries.

## **ASSUMPTIONS**

We have prepared our report based on the following assumptions:

- That all agreements that have been entered into in terms of the Prescient Distribution will be legally enforceable;
- That the Prescient Distribution will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Prescient and Stellar Capital; and
- That reliance can be placed on the financial information of PFH and Stellar Capital.

## **APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in preparing our report by:

- reliance on audit reports in the financial statements of Prescient and Stellar Capital;
- reliance on the reporting accountant’s report on the audited and reviewed historical financial information of PFH;
- conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses; and
- determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of PFH and Stellar Capital and the economic environment in which both companies operate.

## **DESCRIPTION OF THE MATERIAL EFFECTS THAT THE PROPOSED ARRANGEMENT WILL HAVE ON THE RIGHTS AND INTERESTS OF THE SHAREHOLDERS**

As consideration for the Prescient Distribution, taking account of the concomitant reduction in the cash balance of the Company, the Scheme Participants shall receive the proceeds, being their proportionate share of the Prescient Distribution.

In the hands of the Scheme Participants, as consideration forming the Prescient Distribution:

- the Scheme Participants shall be subject to a reduction in cash in Prescient, following the distribution of cash from PFH to Prescient; and
- the Scheme Participants will be compensated by having the option to elect either the Cash Election, the PFH “B” Share Election or the Stellar Share Election.

## EVALUATION OF ANY MATERIAL ADVERSE EFFECTS OF THE PROPOSED ARRANGEMENT

Taking account of the current financial state of affairs of the Company, the Prescient Distribution does not appear to have any reasonably probable beneficial and significant effect on the business and prospects of the Company. Likewise, the Prescient Distribution does not appear to have any reasonably probable non-beneficial and significant effect on the business and prospects of the Company.

Taking account of the financial information provided to us by the Company in terms of the series of events as described in the introduction, upon implementation of the envisaged transactions, it appears to us that upon completion of the Scheme, the Company has the necessary funds to effect the Prescient Distribution.

The proposed arrangement does not have a material adverse effect on the Scheme Participants.

## STATEMENT REGARDING ANY MATERIAL INTEREST OF ANY DIRECTOR OF THE COMPANY OR TRUSTEE FOR SECURITY HOLDERS

The following directors of the Company have an interest in the Scheme as follows:

2016	Direct beneficial	Indirect beneficial	Forfeitable Share Plan	%
<b>Ordinary shares</b>				
Herman Steyn		329 027 321	–	19.71
Michael Buckham	–	8 518 520	1 000 000	0.60
Murray Louw	1 289 237	2 972 113	–	0.30
Ronell van Rooyen	–	19 757 187	–	1.20
Zane Meyer	–	386 733	–	0.02

## STATEMENT REGARDING THE EFFECT OF THE PROPOSED ARRANGEMENT ON THE INTEREST OF ANY DIRECTOR OF THE COMPANY OR TRUSTEE FOR SECURITY HOLDERS

Following the Prescient Distribution there will be no change to the directors' interest in the Company. The directors of the Company have provided irrevocable undertakings to utilise the Prescient Distribution to acquire PFH "B" Shares from Stellar Capital, based on the same valuation as the PFH Subscription Price, in order to remain invested in PFH.

## LIMITING CONDITIONS

This Independent Expert Report is provided to the Independent Board and Scheme Participants in connection with and for the purpose of the Prescient Distribution. The Independent Expert Report does not purport to cater for each individual Scheme Participant's perspective, but rather that of the general body of the Scheme Participants. Should a Scheme Participant be in doubt as to what action to take, he or she should consult an independent advisor.

An individual shareholder's decision as to which election to make in terms of the Prescient Distribution may be influenced by their particular circumstances. The assessment as to whether or not the Independent Board will decide to recommend an election is a decision that can only be taken by the Independent Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our Fair and Reasonable opinion. While our work has involved an analysis of 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.

We have also assumed that the Prescient Distribution will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Prescient and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

## INDEPENDENCE, COMPETENCE AND FEES

We confirm that we have no direct or indirect interest in Prescient or Stellar Capital nor do we have any relationship with Prescient as contemplated in section 114(2)(b) of the Companies Act. We also confirm that

we have the necessary competence to provide the Independent Expert's Report on the Prescient Distribution as required in terms of section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R240 000 (excluding VAT) are not contingent upon the success of any election made under the Prescient Distribution.

### **QUALITATIVE CONSIDERATIONS**

- Stellar Capital will acquire a strategic interest in a proven, scalable and diversified financial services business with exciting growth prospects.
- Stellar Capital is acquiring its interest at a fair valuation and will be able to add long-term value via its network of relationships.
- The reinvestment by PFH management shareholders at the same valuation as Stellar Capital, combined with new management retention arrangements, will ensure the commitment of the team to the success of PFH going forward.
- As a result of the Prescient Distribution, new broad-based Black economic empowerment ownership deals are expected to be completed at the level of PFH and Prescient Investment Management Proprietary Limited, enhancing the competitive position of the business.
- For Prescient shareholders, the transactions in this announcement, combined with the retention of the shares in the remaining Prescient business (which will remain listed on the JSE), are expected to result in a value unlock as Prescient has traded at a discount to the fair value of the two component parts of its business.
- The Stellar Capital shares, on a 60 and 90-day volume weighted average value up to the date immediately preceding the signing of the implementation agreement, have traded at a premium to the price at which the shares are offered under the Stellar Share Election and are offered at the same price as the 30-day volume weighted average value.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the PFH "B" Share Election are reasonable in the circumstances and that the terms and conditions of the Stellar Share Election are reasonable in the circumstances.

Our opinion is based upon the information available to us up to 23 September 2016, including in respect of the financial, 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 and other approvals and consents required in connection with the Prescient Distribution have been fulfilled, waived (if applicable) 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.

### **VALUATION AND CONCLUSION**

Merchantec Capital performed a valuation of PFH and Stellar Capital to determine whether the Prescient Distribution and all of the elections related to it represent fair value to the Scheme Participants compared to the Cash Election.

In undertaking the valuation exercise above, we first obtained a discounted cash flow value for PFH. The valuation range for PFH is between 83 cents to 91 cents per share (the midpoint being 87 cents per share). The fair value per PFH share is thus higher than the value at which the cash distribution will be converted into PFH "B" Shares under the PFH "B" Share Election.

Secondly, we obtained a "sum of the parts" valuation of Stellar Capital. The valuation range for Stellar Capital is between R1.37 to R1.51 per share (the midpoint being R1.44 per share). The fair value per Stellar Capital share is thus lower than the value at which the cash distribution will be converted into Stellar Capital shares under the Stellar Share Election.

Key internal value drivers relating to the valuation of PFH are ultimately the factors that influence the valuation of PFH, being the discount rate, working capital and capital expenditure requirements, operating margins, and expected future revenue growth in PFH based on the growth strategies of PFH. Key internal value drivers relating to the valuation of Stellar Capital are the ability of the management of Stellar Capital to manage their own operating costs as well as obtain significant interests in their underlying investments so as to add value via corporate initiatives, strategic direction and management.



Key external value drivers to the PFH valuation and Stellar Capital valuation included interest rates, inflation rates and prevailing market and industry conditions.

## **OPINION**

Merchantec Capital has considered the proposed terms and conditions of the Prescient Distribution and based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of:

- the PFH “B” Share Election, based on quantitative considerations, are fair to the Scheme Participants when compared to the Cash Election and given the qualitative considerations we are of the opinion that the PFH “B” Share Election is reasonable; and
- the Stellar Share Election, based on quantitative considerations, are unfair to the Scheme Participants when compared to the Cash Election, however, given the qualitative considerations we are of the opinion that the Stellar Share Election is reasonable.

## **CONSENT**

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

Yours faithfully

**Marcel Goncalves CA(SA)**

*Director*

**Merchantec Proprietary Limited**

2nd Floor, North Block, Hyde Park Office Towers

Cnr 6th Road and Jan Smuts Avenue

Hyde Park, 2196

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**PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION (PRESCIENT)**

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The definitions and interpretations commencing on page 9 of this Circular shall apply, *mutatis mutandis*, to this section.

The *pro forma* consolidated statement of comprehensive income for the year-ended 31 March 2016 and *pro forma* consolidated statement of financial position at 31 March 2016 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of Prescient Limited. Due to its nature, the *pro forma* financial information may not fairly present Prescient Limited's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented on 1 April 2015; and
- for the purpose of calculating total asset value per share, net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 31 March 2016.

The *pro forma* financial information has been prepared using the most recent published consolidated annual financial statements of Prescient Limited for the year-ended 31 March 2016 in accordance with the Companies Act and guidelines issued by the South African Institute of Chartered Accountants.

The accounting policies of Prescient Limited have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Prescient Limited for its latest annual financial statements for the year-ended 31 March 2016 and the accounting policies herein have been applied on the same basis.

The directors of Prescient Limited are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 3** to this Circular.

## PRO FORMA STATEMENT OF FINANCIAL POSITION OF PRESCIENT LIMITED AT 31 MARCH 2016

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of Prescient Limited as at 31 March 2016 based on the assumption that the Proposed Transaction became effective on 31 March 2016.

	At 31 March 2016 Before (1)	Sale of <i>pro forma</i> combined entity of PFH and PFSI (2)	Dividend paid (4)	Reversal of consolidation journals (6)	Transaction costs (7)	After transaction
<b>R'000</b>						
<b>ASSETS</b>						
<b>Non-current assets</b>	11 667 621	(11 312 617)	-	131 879	-	486 883
Property and equipment	29 241	(4 462)	-	-	-	24 779
Investment property	35 728	-	-	-	-	35 728
Goodwill and intangible assets	397 960	(75 262)	-	-	-	322 698
Deferred tax assets	14 197	(8 912)	-	-	-	5 285
Long-term loans and other receivables	54 186	(113 900)	-	131 879	-	72 165
Investment in equity-accounted investees	9 658	(2 011)	-	-	-	7 647
Financial assets at fair value through profit or loss	151 439	(132 858)	-	-	-	18 581
Linked investments backing policyholder funds	10 975 212	(10 975 212)	-	-	-	-
<b>Current assets</b>	1 077 824	(567 070)	(1 427 822)	94	(5 692)	211 474
Inventory	35 688	-	-	-	-	35 688
Trade and other receivables	214 959	(65 607)	-	94	-	149 446
Amounts owing by clearing houses	192 777	(192 777)	-	-	-	-
Amounts owing by clients	429 186	(429 186)	-	-	-	-
Taxation receivable	13 623	(255)	-	-	-	13 368
Cash and cash equivalents	191 591	1 254 895	(1 427 822)	-	(5 692)	12 972
<b>Total assets</b>	12 745 445	(10 745 547)	(1 427 822)	131 973	(5 692)	698 357
<b>EQUITY</b>						
Stated capital	667 660	-	(667 660)	-	-	-
Reserves	7 066	-	-	-	-	7 066
Retained income	152 451	1 127 662	(760 162)	-	(5 692)	514 259
<b>Total equity attributable to owners of the Company</b>	827 177	1 127 162	(1 427 822)	-	(5 692)	521 335
<b>Non-controlling interests</b>	24 064	(17 367)	-	-	-	6 697
<b>Total equity</b>	851 241	1 110 295	(1 427 822)	-	(5 692)	528 022

	At 31 March 2016 Before (1)	Sale of <i>pro forma</i> combined entity of PFH and PFSI (2)	Dividend paid (4)	Reversal of consolidation journals (6)	Transaction costs (7)	After transaction
<b>R'000</b>						
<b>Liabilities</b>						
<b>Non-current liabilities</b>	11 018 427	(11 041 462)	-	66 194	-	43 159
Deferred tax liability	13 548	(2 736)	-	-	-	10 812
Policyholder investment contract liabilities	10 974 330	(10 974 330)	-	-	-	-
Loans payable	30 549	(64 396)	-	66 194	-	32 347
<b>Current liabilities</b>	875 777	(814 380)	-	65 779	-	127 176
Trade and other payables	106 393	(64 799)	-	(197)	-	41 397
Amounts owing to clearing houses	16 134	(16 134)	-	-	-	-
Amounts owing to clients	604 668	(604 668)	-	-	-	-
Current tax payable	9 377	(1 297)	-	-	-	8 080
Loans payable	44 126	(70 570)	-	65 976	-	39 532
Bank overdraft	95 079	(56 912)	-	-	-	38 167
<b>Total liabilities</b>	11 894 204	(11 855 842)	-	131 973	-	170 335
<b>Total equity and liabilities</b>	12 745 445	(10 745 547)	(1 427 822)	131 973	(5 692)	698 357
<b>Number of ordinary shares in issue</b>	1 669 250 950				1 669 250 950	
<b>Treasury shares</b>	30 383 292				30 383 292	
<b>Net ordinary shares in issue</b>	1 638 867 658				1 638 867 658	
Total asset value per share (Rand)	7.78				0.43	
Net asset value per share (Rand)	0.52				0.32	
Tangible net asset value per share (Rand)	0.28				0.13	

**STATEMENT OF FINANCIAL POSITION NOTES AND ASSUMPTIONS:**

1. The amounts set out in the "Before" column have been extracted from the audited annual financial statements of Prescient Limited as at and for the year-ended 31 March 2016.
2. Subscription for "B" ordinary shares in PFH by Stellar Capital for an amount of R1.427 billion. Simultaneously, the combined *pro forma* consolidated entity of PFH and PFSI is effectively sold in its entirety to Stellar Capital as Prescient's shareholding in PFH is diluted to less than 1%. It is important to note that PFH and PFSI were separately audited, as they do not form part of the same group of companies, and this column reflects the *pro forma* consolidated assets and liabilities of PFH and PFSI. The assets and liabilities of PFSI have been extracted from the audited financial statements for PFSI for the year-ended 31 March 2016. The *pro forma* financial effects of PFH, contained in **Annexure 10**, reflect the consolidation of PFSI's assets and liabilities into PFH. The combined *pro forma* entity is reflected in column 4 of **Annexure 10**.  
This column reflects the derecognition of the assets and liabilities of PFH and PFSI and a corresponding gain on sale of R1.127 billion by Prescient Limited. The gain on sale is reflected in the *pro forma* statement of profit or loss as a gain on discontinued operations.
3. The subscription for "B" ordinary shares is followed by a dividend of R1.427 billion by PFH to Prescient Limited. This intercompany dividend is not reflected on these *pro forma* financial effects as the entries are eliminated on consolidation of Prescient Limited and PFH. The return of CTC (share capital) on the distribution by PFH to Prescient is funded from the original PFH CTC (share capital) and none from the CTC introduced by Stellar Capital.
4. Following the cash dividend that is paid from PFH to Prescient Limited, Prescient Limited enters into a scheme of arrangement with its shareholders whereby a cash distribution of R1.427 billion is paid to its shareholders, from which they have one of three options regarding their application of this cash distribution. The application of this cash distribution has no impact on these *pro forma* financial effects as the distribution is paid in cash to its shareholders regardless of the election that they make. The shareholders also have an election as to whether they receive this distribution from the CTC of Prescient or sources other than CTC. The default election is to receive the distribution from CTC and therefore the distribution is reflected as being distributed out of CTC first and the balance out of sources other than CTC.
5. There is no interest calculated on the cash received from the subscription as the dividend to PCT shareholders is paid immediately following the subscription by Stellar Capital.
6. This column reflects the reversal of the intercompany journals that were raised to eliminate intercompany loan and receivable and payable balances between Prescient Limited and PFH and Prescient Limited and PFSI. These *pro forma* financial effects reflect the entities as no longer being within the same group of companies and therefore the loan balances are no longer reversed for consolidation purposes.
7. Transaction costs of R5.692 million have been recognised in relation to the Proposed Transaction. These have been reflected as having been settled from cash balances on the date of the Proposed Transaction.
8. No provision has been made for the Effective Date adjustments referred to in paragraph 2.1.2 in Section B as these adjustments represent a future event, at the date of posting the circular, and the inclusion thereof would constitute a forecast of earnings.
9. The table below sets out the *pro forma* financial effects set out in notes 1 to 8 above.

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction</b>	<b>% Change</b>
Net asset value per share (cents)	0.52	0.32	(37.97)
Net tangible asset value per share (cents)	0.28	0.13	(54.70)
Weighted average number of shares in issue ('000)	1 600 001	1 600 001	–
Shares in issue at the end of the period ('000)	1 669 251	1 669 251	–

**PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF PRESCIENT LIMITED FOR THE PERIOD ENDED 31 MARCH 2016**

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects on the audited results for the year-ended 31 March 2016 based on the assumption that the Proposed Transaction became effective on 1 April 2015.

	<i>Pro forma</i>					
	combined		InterCompany		After	
R'000	Year ended	income and	Sale of PFH	Transaction	reversals	transaction
	31 March 2016	expenses of	and PFSI	costs	(5)	(6)
	Before	PFH and PFSI	(4)	(5)	(6)	(6)
	(1)	(3)	(4)	(5)	(6)	(6)
Total income	910 400	(374 383)	-	-	16 452	552 469
Service fees	884 877	(348 775)	-	-	6 774	542 876
Interest and dividend income	22 304	(25 704)	-	-	9 678	6 278
Other investment income	3 219	96	-	-	-	3 315
Cost of information management services	(405 573)	-	-	-	-	(405 573)
Operating expenses	(329 751)	237 553	-	(5 692)	(6 774)	(104 664)
Share-based payment expense	(1 867)	1 412	-	-	-	(455)
Profit from operations	173 209	(135 418)	-	(5 692)	9 678	41 777
Other income	3 190	(696)	-	-	-	2 494
Share of profit of equity-accounted investees (net of tax)	757	(757)	-	-	-	-
Finance costs	(10 862)	11 538	-	-	(9 678)	(9 002)
Profit before tax	166 294	(125 333)	-	(5 692)	-	35 269
Income tax expense	(47 202)	26 815	-	-	-	(20 387)
Profit from continuing operations	119 092	(98 518)	-	(5 692)	-	14 882
<b>Discontinued operation</b>						
Gain for the period from discontinued operation	-	-	1 127 662	-	-	1 127 662
<b>Profit for the year</b>	<b>119 092</b>	<b>(98 518)</b>	<b>1 127 662</b>	<b>(5 692)</b>	<b>-</b>	<b>1 142 544</b>
Other comprehensive loss						
Items that are or may be reclassified to profit or loss						
Foreign currency translation differences – foreign operations	17 398	(12 563)	-	-	-	4 835
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	17 398	(12 563)	-	-	-	4 835
Total comprehensive income for the year	136 490	(110 081)	1 127 662	(5 692)	-	1 147 379

	Year ended 31 March 2016	<i>Pro forma</i> combined income and expenses of PFH and PFSI		Sale of PFH and PFSI	Transaction costs	InterCompany reversals	After transaction
R'000	(1)	(3)	(4)	(5)	(6)		
<b>Profit attributable to:</b>							
Owners of the Company	109 004	(93 399)	1 127 662	(5 692)			1 137 575
Non-controlling interests	10 088	(5 119)	–				4 969
Profit for the year	119 092	(98 518)	1 127 662	(5 692)	–		1 142 544
<b>Total comprehensive income attributable to:</b>							
Owners of the Company – total comprehensive income	123 489	(103 049)	1 127 662	(5 692)			1 142 410
Non-controlling interests – total comprehensive income	13 001	(8 032)	–				4 969
<b>Total comprehensive income for the year</b>	136 490	(111 081)	1 127 662	(5 692)	–		1 147 379
Weighted average number of shares in issue	1 600 001 235						1 600 001 235
Weighted average number of shares in issue before FSP shares and Treasury shares	1 659 454 187						1 659 454 187
Weighted FSP shares in issue	29 781 090						29 781 090
Earnings attributable to FSP shareholders	1 956						20 415
Earnings attributable to owners of the Company	107 048						1 117 160
Headline earnings adjustments	(1 666)						1 125 996
Headline earnings adjustments attributable to FSP shareholders	–						20 958
Headline earnings adjustments attributable to owners of the Company	–						1 105 038
Headline earnings attributable to the Company	–						12 122
<b>Earnings per share (cents)</b>							
Basic earnings per share	6.69						71.10
Diluted earnings per share	6.69						71.10
<b>Headline earnings per share (cents)</b>							
Basic headline earnings per share	6.79						0.76
Diluted headline earnings per share	6.79						0.76

**STATEMENT OF COMPREHENSIVE INCOME NOTES AND ASSUMPTIONS:**

1. The amounts set out in the "Before" column have been extracted from the audited annual financial statements of Prescient Limited for the year-ended 31 March 2016.
2. The subscription for "B" ordinary shares of PFH by Stellar Capital and the subsequent dividend by PFH to Prescient and then the dividend from Prescient to its shareholders in terms of the scheme entered into with the shareholders, as described in the Proposed Transaction, have no impact on the statement of comprehensive income. In particular, there is no requirement to recognise interest income on the cash received from the subscription as this cash is distributed as a dividend immediately following its receipt.
3. The *pro forma* combined expenses of PFH and PFSI have been eliminated from the Prescient income and expenses. There is no audited statement of comprehensive income for PFH and PFSI as they do not form part of a combined entity at the date of this circular, however the income and expenses of PFH and PFSI have been combined in the *pro forma* financial effects of PFH, which are presented in Annexure 10. The income and expenses of PFH and PFSI have been extracted from the audited financial statements of PFH and PFSI, respectively, for the year-ended 31 March 2016. The PFSI income and expenses have been translated at an average Rand/Euro exchange rate of R15.0622/€ for the year-ended 31 March 2016.
4. The difference of the net assets of PFH and PFSI and the proceeds of the subscription of R1.427 billion is recognised as a gain for the period on discontinued operations (as PFH is considered to be a separate cash generating unit and so the profits and losses and the gain or loss on its disposal should be treated as gains/losses from discontinued operation) and is reflected in the statement of comprehensive income as a gain of R1.128 billion. Since the disposal takes place on the first day of the year there will be no recognition of the operating profits or losses from the discontinued operation.
5. Transaction costs of R5.692 million have been recognised in relation to the Proposed Transaction. No provision for taxation has been made as these costs are incurred in respect of capital transactions.
6. This column reflects the reversal of the intercompany journals that were raised to eliminate intercompany transactions between Prescient and PFH and Prescient and PFSI. These *pro forma* financial effects reflect the entities as no longer being within the same group of companies and therefore the transactions are no longer reversed for consolidation purposes.
7. No provision has been made for the Effective Date adjustments referred to in Paragraph 2.1.2 in Section B as these adjustments represent a future event, at the date of posting the circular, and the inclusion thereof would constitute a forecast of earnings.
8. The table below sets out the *pro forma* financial effects set out in notes 1 to 7 above.

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction</b>	<b>% Change</b>
Profit for the period (R'000)	119 092	1 142 544	859.38
Headline earnings (R'000)	120 758	16 548	(86.30)
Basic earnings per share (cents)	6.69	71.10	962.68
Diluted basic earnings per share (cents)	6.69	71.10	962.68
Headline earnings per share (cents)	6.79	0.76	(88.85)
Diluted headline earnings per share (cents)	6.79	0.76	(88.85)
Weighted average number of shares in issue ( `000)	1 600 001	1 600 001	0.00
Shares in issue at the end of the period ( `000)	1 669 251	1 669 251	0.00



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## REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF PRESCIENT

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The Directors  
Prescient Limited  
PO Box 31142  
Tokai  
7966  
23 September 2016

### **Report on the Compilation of Pro Forma Financial Information of Prescient Limited and its Subsidiaries (“the Group”)**

The definitions commencing on page 9 of the circular to which this letter is attached apply, *mutatis mutandis*, to this report.

We have completed our assurance engagement to report on the compilation of the *pro forma* earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of Prescient Limited and its subsidiaries (“the Group”), the *pro forma* statement of financial position of the Group, the *pro forma* statement of comprehensive income of the Group and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to the Group, (collectively “*Pro forma* Financial Information”). The *Pro forma* Financial Information is set out in the Salient Features, paragraph 15 section E and Annexure 2 of the circular.

The *Pro forma* Financial Information has been compiled by the directors of Group to illustrate the impact of the transaction on the Group’s financial position as at 31 March 2016 and the Group financial performance for the year-ended 31 March 2016.

As part of this process, the Group’s earnings, diluted earnings, headline earnings and diluted headline earnings per share, statement of comprehensive income and statement of financial position have been extracted by the directors from the Group’s audited consolidated financial statements for the period ended 31 March 2016 (“Audited Financial Information”), in respect of which an unmodified audit opinion has been issued. In addition, the directors have calculated the net asset value and net tangible asset value per share as at 31 March 2016 based on financial information extracted from the Audited Financial Information.

### **Directors’ Responsibility for the *Pro forma* Financial Information**

The directors of the Group are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria as detailed in Paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 (“Applicable Criteria”).

### **Reporting accountant’s independence and quality control**

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

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* 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 accountant’s responsibility**

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of the Group has been compiled, in all material respects, by the directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the *Pro forma* Financial Information of the Group on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Audited Financial Information used in compiling the *Pro forma* Financial Information of the Group, 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 of Group.

The purpose of the *Pro forma* Financial Information of the Group included in the Circular is solely to illustrate the impact of the Transactions on the unadjusted Audited Financial Information as if the Transactions had been undertaken on 31 March 2016 for purposes of the *pro forma* earnings, diluted earnings and the *pro forma* statement of comprehensive income and on 31 March 2016 for purposes of the *pro forma* net asset value and net tangible asset value per share and *pro forma* statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Transactions, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Group.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Group has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors in the compilation of the *Pro forma* Financial Information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Transactions and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Group reflects the proper application of those *pro forma* adjustments to the unadjusted Audited Financial Information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the Transactions in respect of which the *Pro forma* Financial Information of the Group has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Group.

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 of the Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully

**KPMG Inc.**

### **Per GM Pickering**

Chartered Accountant (SA)

Registered Auditor

Director

MSC House

1 Mediterranean Street

Foreshore

Cape Town, 8001

South Africa

**EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF PRESCIENT FOR THE YEARS ENDED 31 MARCH 2014, 31 MARCH 2015, AND 31 MARCH 2016 (TRP REQUIREMENT)**

Complete sets of the Financial Statements are available on the Prescient website – [www.prescient.co.za](http://www.prescient.co.za)  
Consolidated statement of profit or loss and other comprehensive income for the year-ended 31 March 2016

<b>R'000</b>	<b>2016</b>	2015	2014
Total income	<b>910 400</b>	835 861	664 626
Service fees	<b>884 877</b>	803 169	638 013
Interest and dividend income	<b>22 304</b>	19 442	15 970
Other investment income	<b>3 219</b>	13 250	10 643
Cost of information management services	<b>(405 573)</b>	(352 768)	(286 599)
Operating expenses	<b>(329 751)</b>	(292 431)	(231 720)
Share-based payment expense	<b>(1 867)</b>	(754)	–
Profit from operations	<b>173 209</b>	189 908	146 307
Other income	<b>3 190</b>	8 576	10 652
Share of profit/(loss) of equity-accounted investees (net of tax)	<b>757</b>	(3 261)	(573)
Finance costs	<b>(10 862)</b>	(9 212)	(4 155)
Profit before tax	<b>166 294</b>	186 011	152 231
Income tax expense	<b>(47 202)</b>	(45 671)	(39 592)
Profit from continuing operations	<b>119 092</b>	140 340	112 639
<b>Discontinued operation</b>			
Loss for the period from discontinued operation	–	(3 879)	(48 774)
<b>Profit for the year</b>	<b>119 092</b>	136 461	63 865
Other comprehensive loss			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences – foreign operations	<b>17 398</b>	(4 599)	(1 383)
Tax on other comprehensive income	–	–	–
Other comprehensive income for the year, net of tax	<b>17 398</b>	(4 599)	(1 383)
Total comprehensive income for the year	<b>136 490</b>	131 862	62 482
<b>Profit attributable to:</b>			
Owners of the Company	<b>109 004</b>	129 103	63 088
Non-controlling interests	<b>10 088</b>	7 358	777
Profit for the year	<b>119 092</b>	136 461	63 865
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	<b>123 489</b>	124 504	61 705
Non-controlling interests	<b>13 001</b>	7 358	777
Total comprehensive income for the year	<b>136 490</b>	131 862	62 482
<b>Earnings per share (cents)</b>			
Basic earnings per share	<b>6.69</b>	8.07	4.03
Diluted earnings per share	<b>6.69</b>	8.07	4.03
<b>Earnings per share – continuing operations (cents)</b>			
Basic earnings per share	<b>6.69</b>	8.31	7.15
Diluted earnings per share	<b>6.69</b>	8.31	7.15

## Consolidated statement of financial position

for the year-ended 31 March 2016

R'000	2016	2015	2014
<b>Assets</b>			
<b>Non-current assets</b>	<b>11 667 621</b>	10 517 632	7 331 567
Property and equipment	29 241	26 357	11 210
Investment property	35 728	24 911	24 724
Goodwill and intangible assets	397 960	414 048	423 361
Deferred tax asset	14 197	7 483	4 841
Long-term loans and other receivables	54 186	51 874	70 288
Investment in equity-accounted investees	9 658	14 906	1 493
Financial assets at fair value through profit or loss	151 439	157 925	105 842
Linked investments backing policyholder funds	10 975 212	9 820 128	6 689 808
Current assets	<b>1 077 824</b>	906 102	527 764
Inventory	35 688	22 154	10 506
Trade and other receivables	214 959	210 924	171 692
Amounts owing by clearing houses	192 777	36 575	–
Amounts owing by clients	429 186	525 215	287 082
Taxation receivable	13 623	14 262	3 398
Cash and cash equivalents	191 591	96 972	55 086
<b>Total assets</b>	<b>12 745 445</b>	11 423 734	7 859 331
<b>Equity</b>			
Stated capital	667 660	664 702	637 062
Reserves	7 066	(7 287)	(841)
Retained income	152 451	138 578	96 367
<b>Total equity attributable to owners of the Company</b>	<b>827 177</b>	795 993	732 588
<b>Non-controlling interests</b>	<b>24 064</b>	14 139	8 461
<b>Total equity</b>	<b>851 241</b>	810 132	741 049
<b>Liabilities</b>			
<b>Non-current liabilities</b>	<b>11 018 427</b>	9 842 927	6 732 401
Deferred tax liability	13 548	11 237	5 480
Policyholder investment contract liabilities	10 974 330	9 817 582	6 685 086
Loans payable	30 549	14 108	41 835
<b>Current liabilities</b>	<b>875 777</b>	770 675	385 881
Trade and other payables	106 393	98 363	57 594
Amounts owing to clearing houses	16 134	4 060	138 738
Amounts owing to clients	604 668	554 685	147 916
Current tax payable	9 377	9 405	6 726
Loans payable	44 126	56 458	12 865
Bank overdraft	95 079	47 704	22 042
<b>Total liabilities</b>	<b>11 894 204</b>	10 613 602	7 118 282
<b>Total equity and liabilities</b>	<b>12 745 445</b>	11 423 734	7 859 331

**Consolidated statement of changes in equity**  
for the year-ended 31 March 2016

<b>R' 000</b>	<b>Stated capital</b>	<b>Translation reserve</b>	<b>Treasury shares</b>	<b>Share-based payment reserve</b>	<b>Retained income</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
Balance at 1 April 2013	637 062	12 396	(12 116)	-	93 595	730 937	9 781	740 718
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	63 088	63 088	777	63 865
Total other comprehensive income	-	(1 383)	-	-	-	(1 383)	-	(1 383)
<b>Total comprehensive income for the year</b>	-	(1 383)	-	-	63 088	61 705	777	62 482
<b>Transactions with owners recognised directly in equity</b>								
<b>Contributions by and distributions to owners of the Company</b>								
Dividends declared during the year	-	-	262	-	-	262	-	262
Issue of ordinary shares	-	-	-	-	(60 316)	(60 316)	(2 180)	(62 496)
Total contributions by and distributions to owners of the Company	-	-	262	-	(60 316)	(60 054)	(2 180)	(62 234)
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of subsidiary	-	-	-	-	-	-	83	83
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	83	83
<b>Total transactions with owners of the Company</b>	-	-	262	-	(60 316)	(60 054)	(2 097)	(62 151)
Balance at 31 March 2014	637 062	11 013	(11 854)	-	96 367	732 588	8 461	741 049

<b>R' 000</b>	<b>Stated capital</b>	<b>Translation reserve</b>	<b>Treasury shares</b>	<b>Share-based payment reserve</b>	<b>Retained income</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
Balance at 1 April 2014	637 062	11 013	(11 854)	-	96 367	732 588	8 461	741 049
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	129 103	129 103	7 358	136 461
Total other comprehensive income	-	(4 599)	-	-	-	(4 599)	-	(4 599)
<b>Total comprehensive income for the year</b>	-	(4 599)	-	-	129 103	124 504	7 358	131 862
<b>Transactions with owners recognised directly in equity</b>								
<b>Contributions by and distributions to owners of the Company</b>								
Equity-settled share-based payments	-	-	-	801	-	801	-	801
Dividends declared during the year	-	-	-	-	(86 892)	(86 892)	(2 205)	(89 097)
Issue of ordinary shares	27 640	-	(2 648)	-	-	24 992	-	24 992
<b>Total contributions by and distributions to owners of the Company</b>	27 640	-	(2 648)	801	(86 892)	(61 099)	(2 205)	(63 304)
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of subsidiary	-	-	-	-	-	-	166	166
Disposal of subsidiary	-	-	-	-	-	-	359	359
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	525	525
<b>Total transactions with owners of the Company</b>	27 640	-	(2 648)	801	(86 892)	(61 099)	(1 680)	(62 779)
Balance at 31 March 2015	664 702	6 414	(14 502)	801	138 578	795 993	14 139	810 132

<b>R' 000</b>	<b>Stated capital</b>	<b>Translation reserve</b>	<b>Treasury shares</b>	<b>Share-based payment reserve</b>	<b>Retained income</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
Balance at 1 April 2015	664 702	6 414	(14 502)	801	138 578	795 993	14 139	810 132
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	109 004	109 004	10 088	119 092
Total other comprehensive income	-	14 485	-	-	-	14 485	2 913	17 398
<b>Total comprehensive income for the year</b>	-	14 485	-	-	109 004	123 489	13 001	136 490
<b>Transactions with owners recognised directly in equity</b>								
<b>Contributions by and distributions to owners of the Company</b>								
Treasury shares purchased	-	-	(2 074)	-	-	(2 074)	-	(2 074)
Equity-settled share-based payments	-	-	-	1 942	-	1 942	-	1 942
Dividends declared during the year	-	-	-	-	(95 131)	(95 131)	(2 548)	(97 679)
Issue of ordinary shares	2 958	-	-	-	-	2 958	-	2 958
<b>Total contributions by and distributions to owners of the Company</b>	2 958	-	(2 074)	1 942	(95 131)	(92 305)	(2 548)	(94 853)
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of NCI without a change in control	-	-	-	-	-	-	5 950	5 950
Disposal of subsidiary	-	-	-	-	-	-	(6 478)	(6 478)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	( 528)	( 528)
<b>Total transactions with owners of the Company</b>	2 958	-	(2 074)	1 942	(95 131)	(92 305)	(3 076)	(95 381)
Balance at 31 March 2016	667 660	20 899	(16 576)	2 743	152 451	827 177	24 064	851 241

**Consolidated statement of cash flows**

for the year-ended 31 March 2016

<b>R'000</b>	<b>2016</b>	2015	2014
<b>Cash flows from operating activities</b>			
Profit for the year	<b>119 092</b>	136 461	63 865
Income tax expense	<b>47 202</b>	45 671	39 592
Non-cash movements and adjustments to profit before tax	<b>(970 453)</b>	(2 280 795)	(62 825)
Cash generated from policyholder activities	<b>981 892</b>	2 269 055	98 935
Contributions and investment income	<b>3 495 961</b>	3 845 889	1 794 917
Withdrawals by policyholders	<b>(2 514 069)</b>	(1 576 834)	(1 695 982)
Changes in working capital	<b>(10 470)</b>	(9 231)	(54 374)
Dividends received	<b>2 946</b>	2 820	272
Dividends paid	<b>(97 679)</b>	(89 097)	(62 496)
Interest received	<b>19 358</b>	16 622	15 698
Interest paid	<b>(10 862)</b>	(9 212)	(10 233)
Taxation paid	<b>(50 998)</b>	(50 702)	(45 920)
<b>Net cash inflow from operating activities</b>	<b>30 028</b>	31 592	(17 486)
<b>Cash flows from investing activities</b>			
Acquisition of equipment	<b>(8 040)</b>	(4 349)	(1 892)
Acquisition of subsidiary, net of cash acquired	–	–	(313)
Acquisition of intangible assets	<b>(8 382)</b>	(3 161)	(8 683)
Disposal of intangible assets	–	3 256	3 662
Sale of subsidiary, net of cash disposed of	<b>2 155</b>	–	–
Loss in control of subsidiary, net of cash disposed of	–	(3 296)	–
Disposal of/ (investment in) equity-accounted investees	<b>3 064</b>	(3 104)	(811)
Dividends from equity-accounted investees	–	–	143
Disposal/(Acquisition) of financial assets at fair value through profit or loss	<b>6 026</b>	(41 455)	496
(Extension)/repayment of long-term loans receivable	<b>(2 313)</b>	18 414	3 455
Disposal of discontinued operation, net of cash disposed of	–	–	(8 029)
<b>Cash outflow from investing activities</b>	<b>(7 490)</b>	(33 695)	(11 972)
<b>Cash flows from financing activities</b>			
Acquisition of own shares	<b>2 074</b>	–	(263)
Increase in loans payable	<b>4 499</b>	18 517	(47 481)
<b>Cash inflow from financing activities</b>	<b>6 573</b>	18 517	(47 744)
<b>Net increase in cash and cash equivalents</b>	<b>29 111</b>	16 414	(77 202)
Effect of exchange rate fluctuations on cash held	<b>18 133</b>	(190)	9 605
Cash and cash equivalents at beginning of the year	<b>49 268</b>	33 044	100 641
<b>Cash and cash equivalents at end of the year</b>	<b>96 512</b>	49 268	33 044



## REPORT OF THE HISTORICAL FINANCIAL INFORMATION OF PRESCIENT

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This Annexure contains a report on the historical financial information of Prescient. The information has been extracted *inter alia* from the audited financial statements of Prescient which were prepared in the manner required by the Act, where applicable and in accordance with IFRS for the three years ended 31 March 2016, 31 March 2015 and 30 March 2014. The information presented in this Annexure 2 is the responsibility of the Prescient directors.

There has been no material change in the nature of the business of Prescient since 31 March 2016 up to the Last Practicable Date.

The information for this report is incorporated by reference as per Paragraph 11.61 of the JSE Listings Requirements.

For the full report of historical financial information of Prescient, please refer to the Company's website at the following link: <http://www.prescient.co.za>

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**PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION (YEAR ENDED 30 NOVEMBER 2015) (STELLAR CAPITAL)**

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The definitions and interpretations commencing on page 9 of this Circular shall apply, *mutatis mutandis*, to this Section.

The *pro forma* consolidated statement of comprehensive income for the year-ended 30 November 2015 and *pro forma* consolidated statement of financial position at 30 November 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of Stellar Capital. Due to its nature, the *pro forma* financial information may not fairly present Stellar Capital's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented on 1 December 2014;
- for the purpose of calculating total asset value per share, net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 30 November 2015; and
- in preparing the *pro forma* financial information, Stellar Capital has also included the financial effects for other investment transactions that have been announced and/or implemented post 30 November 2015 up to the date of the Proposed Transaction. These are detailed below and relate to investments and disposals associated with Tellumat Proprietary Limited and Cadiz Holdings Limited, Torre Industries Limited and Amalgamated Electronic Corporation Limited.

The *pro forma* financial information has been prepared using the most recent published annual financial statements of Stellar Capital for the year-ended 30 November 2015 in accordance with the Companies Act and guidelines issued by the South African Institute of Chartered Accountants.

The accounting policies of Stellar Capital have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Stellar Capital for its latest annual financial statements for the year-ended 30 November 2015 and the accounting policies herein have been applied on the same basis. Investments are not consolidated in terms of IFRS 10. Stellar Capital applies fair value accounting in terms of IFRS 10 for Investment Entities to all designated investments at each reporting date. The changes in fair value are reflected as a gain or loss in the income statement for the period. In determining fair value, the principles contained in IFRS 13 Fair Value are applied.

The directors of Stellar Capital are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in Annexure 8 to this Circular.

**PRO FORMA STATEMENT OF FINANCIAL POSITION OF STELLAR CAPITAL AT 30 NOVEMBER 2015**

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of Stellar Capital as at 30 November 2015 based on the assumption that the Proposed Transaction became effective on 30 November 2015.

	At 30 November 2015 Before Actual	Event after the reporting date: Tellumat acquisitions	Event after the reporting date: Cadiz acquisitions	Event after the reporting date: Tellumat disposal	Event after the reporting date: Torre Acquisition	Event after the reporting date: Torre Offer	Event after the reporting date: Amecor Offer	At 30 November 2015 after adjustment for events after reporting date	After Scheme R'000	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>ASSETS</b>										
<b>Non-current assets</b>										
Listed investments at fair value	914 859	-	-	-	33 640	854 537	267 636	2 070 672	-	2 070 672
Unlisted investments at fair value	234 509	179 668	157 388	(134 926)	-	-	-	436 639	856 693	1 293 332
Loan investments	56 631	-	-	-	-	-	-	56 631	-	56 631
Loans to portfolio companies	18 978	-	-	-	-	-	-	18 978	-	18 978
Other financial assets	46 803	-	-	134 926	-	-	-	181 729	-	181 729
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Deferred taxation	7 026	-	-	-	-	-	-	7 026	-	7 026
	<b>1 278 806</b>	<b>179 668</b>	<b>157 388</b>	<b>-</b>	<b>33 640</b>	<b>854 537</b>	<b>267 636</b>	<b>2 771 675</b>	<b>856 693</b>	<b>3 628 368</b>
<b>Current assets</b>										
Loan investments	16 971	-	-	-	-	-	-	16 971	-	16 971
Loans to portfolio companies	55 995	-	-	-	-	-	-	55 995	-	55 995
Other financial assets	323 722	(138 604)	(61 396)	-	-	-	-	123 722	-	123 722
Trade and other receivables	23	-	-	-	-	-	-	23	-	23
Cash and cash equivalents	797 760	(28 113)	(44 891)	-	-	(4 000)	(5 000)	715 756	(26 676)	689 080
	1 194 471	(166 717)	(106 287)	-	-	(4 000)	(5 000)	912 467	(26 676)	885 791
<b>TOTAL ASSETS</b>	<b>2 473 277</b>	<b>12 951</b>	<b>51 101</b>	<b>-</b>	<b>33 640</b>	<b>850 537</b>	<b>262 636</b>	<b>3 684 142</b>	<b>830 017</b>	<b>4 514 159</b>
<b>EQUITY AND LIABILITIES</b>										
<b>Total equity</b>										
Equity attributable to owners of the parent	1 882 021	12 951	-	-	33 640	850 537	262 636	3 041 785	830 017	3 871 802
Non-controlling interest	-	-	-	-	-	-	-	-	-	-
	<b>1 882 021</b>	<b>12 951</b>	<b>-</b>	<b>-</b>	<b>33 640</b>	<b>850 537</b>	<b>262 636</b>	<b>3 041 785</b>	<b>830 017</b>	<b>3 871 802</b>
<b>Liabilities</b>										
Non-current liabilities										
Preference share liability	497 660	-	-	-	-	-	-	497 660	-	497 660
	<b>497 660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>497 660</b>	<b>-</b>	<b>497 660</b>
<b>Current liabilities</b>										
Preference share liability	50 818	-	-	-	-	-	-	50 818	-	50 818
Liability to investee Company	-	-	-	-	-	-	-	-	-	-
Current tax payable	204	-	-	-	-	-	-	204	-	204
Trade and other payables	42 574	-	51 101	-	-	-	-	93 675	-	93 675
	<b>93 596</b>	<b>-</b>	<b>51 101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144 697</b>	<b>-</b>	<b>144 697</b>
<b>Total Liabilities</b>	<b>591 256</b>	<b>-</b>	<b>51 101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>642 357</b>	<b>-</b>	<b>642 357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 473 277</b>	<b>12 951</b>	<b>51 101</b>	<b>-</b>	<b>33 640</b>	<b>850 537</b>	<b>262 636</b>	<b>3 684 142</b>	<b>830 017</b>	<b>4 514 159</b>
Number of ordinary shares in issue	925 456 304	5 631 007	-	-	10 460 127	265 714 370	140 860 802	1 348 122 610	500 990 017	1 849 112 627
Treasury shares	-	-	-	-	-	-	-	-	-	-
<b>Net ordinary shares in issue</b>	<b>925 456 304</b>	<b>5 631 007</b>	<b>-</b>	<b>-</b>	<b>10 460 127</b>	<b>265 714 370</b>	<b>140 860 802</b>	<b>1 348 122 610</b>	<b>500 990 017</b>	<b>1 849 112 627</b>
Total asset value per share (Rands)	2.67							2.73		2.44
Net asset value per share (Rands)	2.03							2.26		2.09
Tangible net asset value per share (Rands)	2.03							2.25		2.09

## STATEMENT OF FINANCIAL POSITION NOTES AND ASSUMPTIONS:

1. The amounts set out in the "Before" column have been extracted from the audited annual financial statements of Stellar Capital as at and for the year-ended 30 November 2015.

### Events after the reporting date

2. Acquisition of 63.14% and 6.86% respectively of Tellumat Proprietary Limited as announced on the Johannesburg Stock Exchange News Service ("**SENS**") on 30 November 2015 and 9 February 2016, accounted for at fair value of the investment acquired at R166 716 494 ("**Tellumat Tranche 1**") and R12 951 313 ("**Tellumat Tranche 2**") ("**Tellumat Acquisitions**"). The Tellumat acquisitions were settled by way of:
  - 2.1. Release of a cash deposit held at 30 November 2015 in the amount of R138,603,814 in relation to Tellumat Tranche 1;
  - 2.2. Cash settlement of R28 112 680 in relation to Tellumat Tranche 1; and
  - 2.3. Issue of 5 631 007 Stellar Capital shares at R2.30 per share in relation to Tellumat Tranche 2 accounted for directly in share capital.
3. Acquisition of 39.04%, 12.18% and 2.79% respectively of Friedshel 1678 Limited, the holding Company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited) as announced on SENS on 30 November 2015, 21 January 2016 and 27 June 2016 accounted for at fair value of the investment acquired at R114 057 613 ("**Cadiz Tranche 1**"), R35 216 560 ("**Cadiz Tranche 2**") and R8 113 963 ("**Cadiz Tranche 3**") ("**Cadiz Acquisitions**"). The Cadiz Acquisitions were settled by way of:
  - 3.1. Release of a cash deposit held at 30 November 2015 in the amount of R61,396,186 in relation to Cadiz Tranche 1;
  - 3.2. Creation of a loan account owing by Stellar Capital to Cadiz group in the amount of R43 020 628 in relation to Cadiz Tranche 1 and R8 080 000 in relation to Tranche 3;
  - 3.3. Cash settlement of R9 640 799 in relation to Cadiz Tranche 1, R35 216 560 in relation to Cadiz Tranche 2 and R33 963 in relation to Cadiz Tranche 3.
4. The disposal of 51.1% of Tellumat Proprietary Limited as announced on SENS on 20 May 2016 for an aggregate of R180 352 941 ("**Tellumat Disposal Consideration**"), fully vendor funded by way of a subscription for 180 353 redeemable preference shares in Masimong Technologies Proprietary Limited ("**Masimong**") with a face value of R1 000 per preference share. Management is of the view that the fair value of the preference shares in Masimong is equal to the fair value of the 51.1% stake in Tellumat Proprietary Limited of R134 925 766 and as a result, no accounting gain or loss has been recorded on disposal, save for transaction expenses of R330 000 accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. The Tellumat Disposal Consideration is not yet effective and is subject to conditions precedent, including approval from the South Africa Competition Commission Authorities.
5. The acquisition of 8 368 102 ordinary Torre shares by way of the issue of 10 460 128 ordinary Stellar Capital shares, constituting an issue of 1.25 ordinary Stellar Capital shares for each ordinary Torre share held.
6. The acquisition of 212 571 496 ordinary Torre shares ("Offer Eligible Shares") by way of the issue of 265 714 370 ordinary Stellar Capital shares, constituting an issue of 1.25 ordinary Stellar Capital shares for each ordinary Torre share held.
  - 6.1. The Offer Eligible Shares has been calculated on the basis of a total of 525 058 445 ordinary Torre shares in issue at the Last Practicable Date, reduced by:
    - 6.1.1. 60 000 000 ordinary Torre shares held by Sabvest, not subject to the Offer;
    - 6.1.2. 66 464 571 ordinary Torre shares held by MIC, not subject to the Offer;
    - 6.1.3. 186 022 378 ordinary Torre shares already held by Stellar Capital following completion of the Acquisition, which Torre shares are not subject to the Offer.
  - 6.2. The fair value of the Offer Eligible Shares has been calculated using a quoted market price of R4.02 per Torre share on 30 November 2015.
  - 6.3. Transaction expenses of R4 000 000 have been accounted for directly in share capital in relation to the issue of a total of 265 714 370 ordinary Stellar Capital shares at R1.80 per share.
7. The acquisition of 100% of Amalgamated Electronic Corporation Limited ("Amecor") for an amount of R267 635 524 as announced on SENS on 11 August 2016 ("Amecor Offer"). Transaction expenses of R5 000 000 have been accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes).

### There are no other events after the reporting date which require inclusion in the *pro forma* financial effects presented.

8. The amounts set out in the column reflect the audited statement of financial position of Stellar Capital at 30 November 2015 as adjusted for the events after the reporting date set out in notes 2 to 7.
9. The subscription for 100% of the PFH B ordinary shares at the PFH Subscription Price, and inter-conditional and simultaneous disposal of 40% of the PFH B ordinary shares at the Subscription Price per share in accordance with 9.1, resulting in an investment in 60% of the PFH B ordinary shares for R856 692 929, settled by way of the issue of 500 990 017 ordinary Stellar Capital shares at R1.71 per Stellar Capital share.
  - 9.1. This assumes that members of the PFH management team have provided irrevocable undertakings to acquire 40% of the PFH "B" shares.
  - 9.2. This assumes that no adjustment will be required to reflect a distribution by PFH, subsequent to the implementation of the Scheme, for any actual capital in excess of the agreed level of net working capital plus minimum regulatory capital required by PFH, which has been used as a basis for the Subscription Price, as Stellar Capital will not be entitled to such distribution. Similarly, any adjustment that may be required for any shortfall in capital is considered to be immaterial and has not been incorporated in the *pro forma* financial effects presented.
  - 9.3. Transaction expenses of R26 676 000 have been accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes).

9.4. The table below sets out the *pro forma* financial effects, after adjusting for events after the reporting date set out in notes 2 to 6 and after the Scheme, assuming that 40%, 20% and 0% respectively of the Prescient Shareholders elect to apply their Prescient Distribution to subscribe for Stellar Capital Consideration Shares:

	Year ended			Change	After Scenario 2: 20% subscription election	After Scenario 3: 0% subscription election	Change
	30 November 2015 after adjustment for events after the reporting date	After Scenario 1: 40% subscription election	After Scenario 2: 20% subscription election				
Basic loss per ordinary share from continuing operations (cents)	0.86	(3.13)	(3.72)	463.4%	(4.59)	(4.59)	631.6%
Diluted basic loss per ordinary share from continuing operations (cents)	0.66	(3.13)	(3.72)	572.1%	(4.59)	(4.59)	790.7%
Headline and diluted headline loss per ordinary share from continuing operations (cents)	2.79	(1.81)	(2.16)	164.9%	(2.65)	(2.65)	195.0%
Diluted headline loss per ordinary share from continuing operations (cents)	2.15	(1.81)	(2.16)	184.3%	(2.65)	(2.65)	223.4%
Basic loss per ordinary share from discontinued operations (cents)	(1.21)	(0.83)	(0.98)	31.7%	(1.21)	(1.21)	0.0%
Diluted basic loss per ordinary share from discontinued operations (cents)	(0.93)	(0.83)	(0.98)	11.2%	(1.21)	(1.21)	(29.9%)
Headline loss per ordinary share from discontinued operations (cents)	(0.53)	(0.36)	(0.43)	31.7%	(0.53)	(0.53)	0.0%
Diluted headline loss per ordinary share from discontinued operations (cents)	(0.41)	(0.36)	(0.43)	11.2%	(0.53)	(0.53)	(29.9%)
Weighted average number of shares	721 200 549	1 055 193 894	888 197 221	46.3%	721 200 549	721 200 549	0.0%
Diluted weighted average number of shares	937 027 887	1 055 193 894	888 197 221	12.6%	721 200 549	721 200 549	(23.0%)
Total asset value per share (Rand)	2.73	2.51	2.60	(8.0%)	2.71	2.71	(0.7%)
Net asset value per share (Rand)	2.26	2.13	2.18	(5.5%)	2.24	2.24	(0.9%)
Tangible net asset value per share (Rand)	2.25	2.13	2.17	(5.5%)	2.23	2.23	(0.9%)

10. The amounts set out in the column reflect the audited financial statements of Stellar Capital as at and for the year-ended 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, to 7 and the Scheme (assuming 60% acquisition by Stellar Capital) as set out in note 9.

**The fair value of listed investments held by Stellar Capital are influenced by the change in quoted market prices. The fair value of listed investments as presented in these *pro forma* financial effects have not been updated for changes in quoted market prices subsequent to the reporting period ended 30 November 2015, unless otherwise stated.**

## PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF STELLAR CAPITAL FOR THE YEAR ENDED 30 NOVEMBER 2015

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects on the audited results of Stellar Capital for the year-ended 30 November 2015 based on the assumption that the Proposed Transaction became effective on 1 December 2014.

	Year ended 30 November 2015		Event after the reporting date:		Event after the reporting date:		Event after the reporting date:		Event after the reporting date:		Year ended 30 November 2015		After Scheme							
	R'000	(1)	R'000	(2)	R'000	(3)	R'000	(4)	R'000	(5)	R'000	(6)	R'000	(7)	R'000	(8)	R'000	(9)	R'000	(10)
<b>Continuing operations</b>																				
Fair value adjustments	(21 334)	-	-	-	-	-	-	-	669	17 006	28 172	24 513	24 513	-	24 513	-	24 513	-	24 513	-
Interest revenue	24 308	-	-	-	-	-	-	-	15	390	-	24 713	24 713	-	24 713	-	24 713	-	24 713	-
Dividends received	9	-	-	-	-	-	-	-	628	15 943	-	16 580	16 580	-	16 580	-	16 580	-	16 580	-
Impairment of loan to portfolio Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross (loss)/income from investments</b>	<b>2 983</b>	-	-	-	-	-	-	-	<b>1 312</b>	<b>33 339</b>	<b>28 172</b>	<b>65 806</b>	<b>65 806</b>	-	<b>65 806</b>	-	<b>65 806</b>	-	<b>65 806</b>	-
Other income	7 356	-	-	-	-	-	-	-	-	-	-	7 356	7 356	-	7 356	-	7 356	-	7 356	-
Finance costs	(202)	-	-	-	-	-	-	-	-	-	-	(202)	(202)	-	(202)	-	(202)	-	(202)	-
<b>Net income before operating expenses</b>	<b>10 137</b>	-	-	-	-	-	-	-	<b>1 312</b>	<b>33 339</b>	<b>28 172</b>	<b>72 960</b>	<b>72 960</b>	-	<b>72 960</b>	-	<b>72 960</b>	-	<b>72 960</b>	-
Operating expenses																				
Management fee	(8 292)	-	(3 593)	-	(3 148)	-	-	-	(800)	(20 322)	(3 803)	(39 958)	(39 958)	(17 134)	(57 092)	-	(57 092)	-	(57 092)	-
Impairment	(1 173)	-	-	-	-	-	-	-	-	-	-	(1 173)	(1 173)	-	(1 173)	-	(1 173)	-	(1 173)	-
Loss on disposal of Consolidated Subsidiaries	(13 935)	-	-	-	-	-	-	-	-	-	-	(13 935)	(13 935)	-	(13 935)	-	(13 935)	-	(13 935)	-
Other operating expenses	(16 183)	-	-	-	-	-	(330)	-	-	-	(5 000)	(21 513)	(21 513)	(26 676)	(48 189)	-	(48 189)	-	(48 189)	-
<b>(Loss)/Profit before taxation</b>	<b>(29 446)</b>	-	<b>(3 593)</b>	-	<b>(3 148)</b>	-	<b>(330)</b>	-	<b>512</b>	<b>13 017</b>	<b>19 369</b>	<b>(3 619)</b>	<b>(3 619)</b>	<b>(43 810)</b>	<b>(47 429)</b>	-	<b>(47 429)</b>	-	<b>(47 429)</b>	-
Taxation	1 505	-	946	-	829	-	-	-	211	5 349	1 001	9 841	9 841	4 510	14 351	-	14 351	-	14 351	-
<b>(Loss)/Profit from continuing operations</b>	<b>(27 941)</b>	-	<b>(2 647)</b>	-	<b>(2 319)</b>	-	<b>(330)</b>	-	<b>723</b>	<b>18 366</b>	<b>20 370</b>	<b>6 222</b>	<b>6 222</b>	<b>(39 300)</b>	<b>(33 078)</b>	-	<b>(33 078)</b>	-	<b>(33 078)</b>	-
<b>Discontinued operations</b>																				
Net loss from discontinued operations	(8 747)	-	-	-	-	-	-	-	-	-	-	(8 747)	(8 747)	-	(8 747)	-	(8 747)	-	(8 747)	-
<b>Total (loss)/profit for the year</b>	<b>(36 688)</b>	-	<b>(2 647)</b>	-	<b>(2 319)</b>	-	<b>(330)</b>	-	<b>723</b>	<b>18 366</b>	<b>20 370</b>	<b>(2 525)</b>	<b>(2 525)</b>	<b>(39 300)</b>	<b>(41 825)</b>	-	<b>(41 825)</b>	-	<b>(41 825)</b>	-
<b>(Loss)/Profit attributable to:</b>																				
Equity holders of the parent	(36 688)	-	(2 647)	-	(2 319)	-	(330)	-	723	18 366	20 370	(2 525)	(2 525)	(39 300)	(41 825)	-	(41 825)	-	(41 825)	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(Loss)/Profit from continuing operations attributable to:</b>																				
Equity holders of the parent	(27 941)	-	(2 647)	-	(2 319)	-	(330)	-	723	18 366	20 370	6 222	6 222	(39 300)	(33 078)	-	(33 078)	-	(33 078)	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(Loss)/Profit from discontinued operations attributable to:</b>																				
Equity holders of the parent	(8 747)	-	-	-	-	-	-	-	-	-	-	(8 747)	(8 747)	-	(8 747)	-	(8 747)	-	(8 747)	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(Loss)/Profit from discontinued operations attributable to:</b>	<b>(8 747)</b>	-	-	-	-	-	-	-	-	-	-	<b>(8 747)</b>	<b>(8 747)</b>	-	<b>(8 747)</b>	-	<b>(8 747)</b>	-	<b>(8 747)</b>	-

	Year ended	Event after the				Year ended			
	30 November 2015	reporting date:	reporting date:	reporting date:	reporting date:	reporting date:	reporting date:	reporting date:	After
Before	Tellumat	Tellumat	Cadiz acquisitions	Torre Acquisition	Torre Offer	Amecor Offer	Amecor Offer	Scheme	Scheme
Actual	acquisitions	acquisitions	acquisitions	acquisitions	Offer	Offer	Offer	Scheme	Scheme
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Reconciliation between basic and headline loss from continuing operations</b>									
Basic (loss)/profit attributable to equity holders of parent	(27 941)	(2 647)	(2 319)	723	18 366	20 370	6 222	(39 300)	(33 078)
Loss on disposal of Consolidated Subsidiaries	13 935	-	-	-	-	-	13 935	-	13 935
Tax effect of adjustments	-	-	-	-	-	-	-	-	-
<b>Headline loss from continuing operations</b>	<b>(14 006)</b>	<b>(2 647)</b>	<b>(2 319)</b>	<b>723</b>	<b>18 366</b>	<b>20 370</b>	<b>20 157</b>	<b>(39 300)</b>	<b>(19 143)</b>
<b>Reconciliation between basic and headline loss from discontinued operations</b>									
Basic loss attributable to equity holders of parent	(8 747)	-	-	-	-	-	(8 747)	-	(8 747)
Loss on disposal of Consolidated Subsidiary	4 847	-	-	-	-	-	4 847	-	4 847
Loss on disposal of property, plant and equipment	78	-	-	-	-	-	78	-	78
Tax effect of adjustments	-	-	-	-	-	-	-	-	-
<b>Headline loss from discontinued operations</b>	<b>(3 822)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 822)</b>	<b>-</b>	<b>(3 822)</b>
Basic loss per ordinary share from continuing operations (cents)	(9.36)						0.86		(2.71)
Diluted basic loss per ordinary share from continuing operations (cents)	(9.36)						0.66		(2.71)
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(4.69)						2.79		(1.57)
Diluted headline loss per ordinary share from continuing operations (cents)	(4.69)						2.15		(1.57)
Basic loss per ordinary share from discontinued operations (cents)	(2.93)						(1.21)		(0.72)
Diluted basic loss per ordinary share from discontinued operations (cents)	(2.93)						(0.93)		(0.72)
Headline loss per ordinary share from discontinued operations (cents)	(1.28)						(0.53)		(0.31)
Diluted headline loss per ordinary share from discontinued operations (cents)	(1.28)						(0.41)		(0.31)
Weighted average number of shares	298 534 243	5 631 007		10 460 127	265 714 370	140 860 802	721 200 549	500 990 017	1 222 190 566
Diluted weighted average number of shares	298 534 243						937 027 887		1 222 190 566

#### STATEMENT OF COMPREHENSIVE INCOME NOTES AND ASSUMPTIONS:

1. The amounts set out in the "Before" column have been extracted from the audited annual financial statements of Stellar Capital as at and for the year-ended 30 November 2015.

#### Events after the reporting date.

2. Additional base management fee to Thunder Securitisations Proprietary Limited ("Manco") of R3 593 000 calculated as 2% per annum of the fair value of the additional investment in Tellumat Proprietary Limited. The taxation effect is a reduction in taxation expense of R946 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. Also refer note 2 of the statement of financial position notes and assumptions. This adjustment is of a continuing nature.

3. Acquisition of 39.04%, 12.18% and 2.79% respectively of Friedsheif 1678 Limited, the holding Company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited) as announced on SENS on 30 November 2015, 21 January 2016 and 27 June 2016 accounted for at fair value of the investment acquired.

Additional base management fee to Manco of R3 148 000 calculated as 2% per annum of the fair value of the additional investment in Friedsheif 1678 Limited, the holding Company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited). The taxation effect is a reduction in taxation expense of R829 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. Also refer note 3 of the statement of financial position notes and assumptions. This adjustment is of a continuing nature.

4. The disposal of 51.1% of Tellumat Proprietary Limited as announced on SENS on 20 May 2016 for an aggregate of R180 352 941 ("**Tellumat Disposal Consideration**"), fully vendor funded by way of a subscription for 180 353 redeemable preference shares in Masimong Technologies Proprietary Limited ("**Masimong**") with a face value of R1,000 per preference share. Management is of the view that the fair value of the preference shares in Masimong is equal to the fair value of the 51.1% stake in Tellumat Proprietary Limited of R134 925 766 and as a result, no accounting gain or loss has been recorded on disposal, save for transaction expenses of R330 000 accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. No taxation is due in relation to the disposal as Stellar Capital is able to utilize a portion of its estimated R558 700 000 unutilised capital losses in relation to the taxation gain of R45 427 175 recorded in respect of the disposal. This adjustment is not of a continuing nature.
5. The Torre Acquisition, comprising the issue of 10 460 127 ordinary Stellar Capital shares ("**Acquisition Shares**"), result in the following *pro forma* adjustments to the statement of comprehensive income:
  - 5.1. R669,000 fair valuation gain in respect of the Acquisition Shares, representing the differential between the closing quoted market price of R4.02 per Torre share on 30 November 2015 and the closing quoted market price per Torre share of R3.94 on 1 December 2014. This adjustment is not of a continuing nature;
  - 5.2. Receipt of dividend in respect of the Acquisition Shares in the amount of R292 884 (or 3.5 cents per Torre share) on 2 March 2015 and R334 724 (or 4 cents per Torre share) on 10 September 2015 ("**Torre Acquisition Dividends**"). This adjustment is not of a continuing nature;
  - 5.3. Interest revenue of Prime less 4.25% earned in respect of the Torre Acquisition Dividends. This adjustment is of a continuing nature;
  - 5.4. Additional base management fee to Manco of R800 000, calculated as 2% per annum of the fair value of the Acquisition Shares. The taxation effect is a reduction in taxation expense of R211 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
6. The Torre Offer, comprising the issue of 265 714 370 ordinary Stellar Capital shares, result in the following *pro forma* adjustments to the statement of comprehensive income:
  - 6.1. R17 006 000 fair valuation gain in respect of the Offer Eligible Shares, representing the differential between the closing quoted market price of R4.02 per Torre share on 30 November 2015 and the closing quoted market price per Torre share of R3.94 on 1 December 2014. This adjustment is not of a continuing nature;
  - 6.2. Receipt of dividend in respect of the Offer Eligible Shares in the amount of R7 440 002 (or 3.5 cents per Torre share) on 2 March 2015 and R8 502 860 (or 4 cents per Torre share) on 10 September 2015 ("**Torre Offer Dividends**"). This adjustment is not of a continuing nature;
  - 6.3. Interest revenue of Prime less 4.25% earned in respect of the Torre Offer Dividends. This adjustment is of a continuing nature;
  - 6.4. Additional base management fee to Manco of R20,322,000, calculated as 2% per annum of the fair value of 212,571,496 ordinary Torre shares. The taxation effect is a reduction in taxation expense of R5,349,000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
7. The acquisition of 100% of Amecor results in the following *pro forma* adjustments to the statement of comprehensive income:
  - 7.1. R28 172 000 fair valuation gain in respect of the Amecor Offer, representing the differential between the closing quoted market price of R2.90 per Amecor share on 30 November 2015 and the closing quoted market price per Amecor share of R2.50 on 1 December 2014. This adjustment is not of a continuing nature.
  - 7.2. Additional base management fee to Manco of R3 803 000, calculated as 2% per annum of the fair value of the Amecor Offer. The taxation effect is a reduction in taxation expense of R1 001 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 31 November 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
  - 7.3. Transaction expenses of R5 000 000 (which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. This adjustment is not of a continuing nature.

**There are no other events after the reporting date which require inclusion in the *pro forma* financial effects presented.**

8. The amounts set out in the column reflect the audited statement of comprehensive income of Stellar Capital for the year-ended 30 November 2015 as adjusted for the events after the reporting date set out in notes 2 to 7.  
The issue of 600 convertible redeemable preference shares results in a diluted earnings and headline earnings per share, after adjusting for the events after the reporting date set out in notes 2 to 7.
9. The Scheme results in the following *pro forma* adjustments to the statement of comprehensive income:
  - 9.1. Additional base management fee to Manco of R17 134 000, calculated as 2% per annum of the fair value of the Offer Shares. The taxation effect is a reduction in taxation expense of R4 510 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
  - 9.2. Transaction expenses of R26 676 000 (which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. This adjustment is of a continuing nature.
  - 9.3. The table below sets out the *pro forma* financial effects, after adjusting for events after the reporting date set out in notes 2 to 7 and after the Proposed Transaction, assuming that 40%, 20% and 0% respectively of the Prescient Shareholders elect to apply their Prescient Distribution to subscribe for Stellar Capital Consideration Shares:



	Year ended 30 November 2015 after adjustment for events after reporting the date	After Scenario 1: 40% subscription election	Change	After Scenario 2: 20% subscription election	Change	After Scenario 3: 0% subscription election	Change
Basic loss per ordinary share from continuing operations (cents)	0.86	(3.13)	463.4%	(3.72)	531.7%	(4.59)	631.6%
Diluted basic loss per ordinary share from continuing operations (cents)	0.66	(3.13)	572.1%	(3.72)	660.9%	(4.59)	790.7%
Headline and diluted headline loss per ordinary share from continuing operations (cents)	2.79	(1.81)	164.9%	(2.16)	177.1%	(2.65)	195.0%
Diluted headline loss per ordinary share from continuing operations (cents)	2.15	(1.81)	184.3%	(2.16)	200.2%	(2.65)	223.4%
Basic loss per ordinary share from discontinued operations (cents)	(1.21)	(0.83)	31.7%	(0.98)	18.8%	(1.21)	0.0%
Diluted basic loss per ordinary share from discontinued operations (cents)	(0.93)	(0.83)	11.2%	(0.98)	(5.5%)	(1.21)	(29.9%)
Headline loss per ordinary share from discontinued operations (cents)	(0.53)	(0.36)	31.7%	(0.43)	18.8%	(0.53)	0.0%
Diluted headline loss per ordinary share from discontinued operations (cents)	(0.41)	(0.36)	11.2%	(0.43)	(5.5%)	(0.53)	(29.9%)
Weighted average number of shares	721 200 549	1 055 193 894	46.3%	888 197 221	23.2%	721 200 549	0.0%
Diluted weighted average number of shares	937 027 887	1 055 193 894	12.6%	888 197 221	(5.2%)	721 200 549	(23.0%)
Total asset value per share (Rand)	2.73	2.51	(8.0%)	2.60	(4.8%)	2.71	(0.7%)
Net asset value per share (Rand)	2.26	2.13	(5.5%)	2.18	(3.4%)	2.24	(0.9%)
Tangible net asset value per share (Rand)	2.25	2.13	(5.5%)	2.17	(3.4%)	2.23	(0.9%)

10. The amounts set out in the column reflect the audited statement of comprehensive income of Stellar Capital as at and for the year-ended 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, to 7 and the Scheme (assuming 60% acquisition by Stellar Capital) as set out in note 9.

The issue of 600 convertible redeemable preference shares has not been treated as dilutive in calculating diluted earnings and headline earnings per share, after adjusting for the events after the reporting date set out in notes 2 to 7 and note 9, as the conversion thereof will result in a decrease in loss per share from continuing operations (i.e. the conversion is anti-dilutive).

**The fair value of listed investments held by Stellar Capital are influenced by the change in quoted market prices. The fair value of listed investments as presented in these pro forma financial effects have not been updated for changes in quoted market prices subsequent to the reporting period ended 30 November 2015, unless otherwise stated.**

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**PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION  
(6 MONTHS ENDED 31 MAY 2016) (STELLAR CAPITAL)**

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The definitions and interpretations commencing on page 9 of this Circular shall apply, *mutatis mutandis*, to this Section.

The table below sets out the *pro forma* financial effects of the Proposed Transaction.

The *pro forma* consolidated statement of comprehensive income for the period ended 31 May 2016 and *pro forma* consolidated statement of financial position at 31 May 2016 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of Stellar Capital. Due to its nature, the *pro forma* financial information may not fairly present Stellar Capital's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented on 1 December 2015; and
- for the purpose of calculating total asset value per share, net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 31 May 2016.
- in preparing the *pro forma* financial information, Stellar Capital has also included the financial effects for other investment transactions that have been announced and/or implemented post 31 May 2016 up to the date of the Proposed Transaction. These are detailed below and relate to investments and disposals associated with Tellumat Proprietary Limited and Cadiz Holdings Proprietary Limited, Torre Industries Limited and Amalgamated Electronic Corporation Limited.

The *pro forma* financial information has been prepared using the most recent published interim financial statements of Stellar Capital for the period ended 31 May 2016 in accordance with the JSE Listings Requirements, Companies Act and guidelines issued by the South African Institute of Chartered Accountants.

The accounting policies of Stellar Capital have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Stellar Capital for its latest interim financial statements for the period ended 31 May 2016 and the accounting policies herein have been applied on the same basis. Investments are not consolidated in terms of IFRS 10. Stellar Capital applies fair value accounting in terms of IFRS 10 for Investment Entities to all designated investments at each reporting date. The changes in fair value are reflected as a gain or loss in the income statement for the period. In determining fair value, the principles contained in IFRS 13 Fair Value are applied.

The directors of Stellar Capital are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in Annexure 8 to this Circular.

**PRO FORMA STATEMENT OF FINANCIAL POSITION OF STELLAR CAPITAL AT 31 MAY 2016**

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of Stellar Capital as at 31 May 2016 based on the assumption that the Proposed Transaction became effective on 31 May 2016.

	At 31 May 2016		Event after the		Event after the		Event after the		Event after the		At 31 May 2016		After	
	Before	Actual	Event after the	Event after the	Event after the	Event after the	Event after the	Event after the	Event after the	Event after the	Event after the	Event after the		Scheme
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)					
<b>ASSETS</b>														
<b>Non-current assets</b>														
Listed investments at fair value	493 879	-	-	23 263	590 949	267 636	1 375 727	-	-	1 375 727	-	-	1 375 727	
Unlisted investments at fair value	546 807	8 114	(134 926)	-	-	-	419 995	-	-	856 693	-	-	1 276 688	
Loan investments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans to portfolio companies	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial assets	-	-	134 926	-	-	-	-	-	-	-	-	-	-	
Property, plant and equipment	1 038	-	-	-	-	-	134 926	-	-	134 926	-	-	134 926	
Deferred taxation	-	-	-	-	-	-	1 038	-	-	1 038	-	-	1 038	
	<b>1 041 724</b>	<b>8 114</b>	<b>-</b>	<b>23 263</b>	<b>590 949</b>	<b>267 636</b>	<b>1 931 686</b>	<b>856 693</b>	<b>2 788 379</b>					
<b>Current assets</b>														
Loan investments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans to portfolio companies	667 255	-	-	-	-	-	667 255	-	-	667 255	-	-	667 255	
Other financial assets	31 500	-	-	-	-	-	31 500	-	-	31 500	-	-	31 500	
Trade and other receivables	823	-	-	-	-	-	823	-	-	823	(570)	-	253	
Cash and cash equivalents	305 494	(34)	-	-	(4 000)	(5 000)	296 460	(26 106)	-	270 354	-	-	270 354	
	<b>1 005 072</b>	<b>(34)</b>	<b>-</b>	<b>23 263</b>	<b>(4 000)</b>	<b>(5 000)</b>	<b>996 038</b>	<b>(26 676)</b>	<b>969 362</b>				<b>969 362</b>	
<b>TOTAL ASSETS</b>	<b>2 046 796</b>	<b>8 080</b>	<b>-</b>	<b>23 263</b>	<b>586 949</b>	<b>262 636</b>	<b>2 927 724</b>	<b>830 017</b>	<b>3 757 741</b>					
<b>EQUITY AND LIABILITIES</b>														
<b>Total equity</b>														
Equity attributable to owners of the parent	1 442 901	-	-	23 263	586 949	262 636	2 315 749	830 017	3 145 766				3 145 766	
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>1 442 901</b>	<b>-</b>	<b>-</b>	<b>23 263</b>	<b>586 949</b>	<b>262 636</b>	<b>2 315 749</b>	<b>830 017</b>	<b>3 145 766</b>					
<b>Liabilities</b>														
<b>Non-current liabilities</b>														
Preference share liability	500 118	-	-	-	-	-	500 118	-	500 118				500 118	
	<b>500 118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500 118</b>	<b>-</b>	<b>500 118</b>				<b>500 118</b>	
<b>Current liabilities</b>														
Preference share liability	54 441	-	-	-	-	-	54 441	-	54 441				54 441	
Liability to investee Company	43 021	8 080	-	-	-	-	51 101	-	51 101				51 101	
Current tax payable	-	-	-	-	-	-	-	-	-				-	
Trade and other payables	6 315	-	-	-	-	-	6 315	-	6 315				6 315	
	<b>103 777</b>	<b>8 080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111 857</b>	<b>-</b>	<b>111 857</b>				<b>111 857</b>	
<b>Total Liabilities</b>	<b>603 895</b>	<b>8 080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611 975</b>	<b>-</b>	<b>611 975</b>				<b>611 975</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 046 796</b>	<b>8 080</b>	<b>-</b>	<b>23 263</b>	<b>586 949</b>	<b>262 636</b>	<b>2 927 724</b>	<b>830 017</b>	<b>3 757 741</b>				<b>3 757 741</b>	
Number of ordinary shares in issue	931 087 312	-	-	-	265 714 370	140 860 802	1 337 662 484	500 990 017	1 838 652 501				1 838 652 501	
Treasury shares	(10 460 127)	-	-	10 460 127	-	-	-	-	-				-	
<b>Net ordinary shares in issue</b>	<b>920 627 185</b>	<b>-</b>	<b>-</b>	<b>10 460 127</b>	<b>265 714 370</b>	<b>140 860 802</b>	<b>1 337 662 484</b>	<b>500 990 017</b>	<b>1 838 652 501</b>				<b>1 838 652 501</b>	
Total asset value per share (Rand)	2.22	-	-	2.22	2.22	2.22	2.19	2.19	2.04				2.04	
Net asset value per share (Rand)	1.57	-	-	1.57	1.57	1.57	1.73	1.73	1.71				1.71	
Tangible net asset value per share (Rand)	1.57	-	-	1.57	1.57	1.57	1.73	1.73	1.71				1.71	

## STATEMENT OF FINANCIAL POSITION NOTES AND ASSUMPTIONS:

1. The amounts set out in the "Before" column have been extracted from the unaudited interim financial statements of Stellar Capital as at and for the period ended 31 May 2016.  
**Events after the reporting date**
2. Acquisition of 2.79% of Friedsheif 1678 Limited, the holding Company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited) as announced on SENS on 27 June 2016 accounted for at fair value of the investment acquired at R8 113 963 ("**Cadiz Tranche 3**") ("**Cadiz Acquisition**"). The Cadiz Acquisition was settled by way of:
  - 2.1. Creation of a loan account owing by Stellar Capital to Cadiz group in the amount of R8 080 000 in relation to Tranche 3; and
  - 2.2. Cash settlement of R33 963 in relation to Cadiz Tranche 3.
3. The disposal of 51.1% of Tellumat Proprietary Limited as announced on SENS on 20 May 2016 for an aggregate of R180 352 941 ("**Tellumat Disposal Consideration**"), fully vendor funded by way of a subscription for 180 353 redeemable preference shares in Masimong Technologies Proprietary Limited ("**Masimong**") with a face value of R1 000 per preference share. Management is of the view that the fair value of the preference shares in Masimong is equal to the fair value of the 51.1% stake in Tellumat Proprietary Limited of R134 925 766 and as a result, no accounting gain or loss has been recorded on disposal, save for transaction expenses of R330 000 accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. The Tellumat Disposal Consideration is not yet effective and is subject to conditions precedent, including approval from the South Africa Competition Commission Authorities.
4. The acquisition of 8 368 102 ordinary Torre shares by way of the issue of 10 460 127 ordinary Stellar Capital shares, constituting an issue of 1.25 ordinary Stellar Capital shares for each ordinary Torre share held.
5. The acquisition of 212 571 496 ordinary Torre shares ("Torre Offer Eligible Shares") by way of the issue of 265,714,370 ordinary Stellar Capital shares, constituting an issue of 1.25 ordinary Stellar Capital shares for each ordinary Torre share held.
  - 5.1. The Torre Offer Eligible Shares has been calculated on the basis of a total of 525,058,445 ordinary Torre shares in issue at the Last Practicable Date, reduced by:
    - 5.1.1. 60 000 000 ordinary Torre shares held by Sabvest, not subject to the Offer;
    - 5.1.2. 66 464 571 ordinary Torre shares held by MIC, not subject to the Offer;
    - 5.1.3. 186 022 378 ordinary Torre shares already held by Stellar Capital following completion of the Acquisition, which Torre shares are not subject to the Offer.
  - 5.2. The fair value of the Torre Offer Eligible Shares has been calculated using a quoted market price of R2.78 per Torre share on 31 May 2016.
  - 5.3. Once-off transaction expenses of R4 000 000 have been accounted for directly in share capital in relation to the issue of a total of 265 714 370 ordinary Stellar Capital shares at R1.80 per share.
6. The acquisition of 100% of Amalgamated Electronic Corporation Limited ("**Amecor**") for an amount of R267 635 524 as announced on SENS on 11 August 2016 ("**Amecor Offer**"). Transaction expenses of R5 000 000 have been accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs.  
**There are no other events after the reporting date which require inclusion in the pro forma financial effects presented.**
7. The amounts set out in the column reflect the unaudited statement of financial position of Stellar Capital at 31 May 2016 as adjusted for the events after the reporting date set out in notes 2 to 6.
8. The acquisition of 60% of the "B" shares of Prescient Holdings Proprietary Limited ("**Offer Shares**") ("**PFH**") for R856 692 929, by way of the issue of 500 990 017 ordinary Stellar Capital shares at R1.71 per Stellar Capital share.
  - 8.1. This assumes that members of the PFH management team have provided irrevocable undertakings to acquire 40% of the PFH "B" shares.
  - 8.2. This assumes that no adjustment will be required to reflect a distribution by PFH, subsequent to the implementation of the Scheme, for any actual capital in excess of the agreed level of net working capital plus minimum regulatory capital required by PFH, which has been used as a basis for the Subscription Price, as Stellar Capital will not be entitled to such distribution. Similarly, any adjustment that may be required for any shortfall in capital is considered to be immaterial and has not been incorporated in the *pro forma* financial effects presented.
  - 8.3. Transaction expenses of R26 676 000 have been accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes), of which R570 000 reflected as a prepayment as at 31 May 2016.

8.4. The table below sets out the *pro forma* financial effects, after adjusting for events after the reporting date set out in notes 2 to 6 and after the Scheme, assuming that 40%, 20% and 0% respectively of the PFH "B" Shareholders elect settlement in Stellar Capital Shares:

	Period ended 31 May 2016 after adjustment for events after reporting date	After Scenario 1: 40% subscription election	Change	After Scenario 2: 20% subscription election	Change	After Scenario 3: 0% subscription election	Change
Basic loss per ordinary share from continuing operations (cents)	(58.12)	(52.94)	8.9%	(56.58)	2.6%	(60.76)	(4.5%)
Diluted basic loss per ordinary share from continuing operations (cents)	(58.12)	(52.94)	8.9%	(56.58)	2.6%	(60.76)	(4.5%)
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(61.59)	(55.97)	9.1%	(59.81)	2.9%	(64.23)	(4.3%)
Diluted headline loss per ordinary share from continuing operations (cents)	(61.59)	(55.97)	9.1%	(59.81)	2.9%	(64.23)	(4.3%)
Basic loss per ordinary share from discontinued operations (cents)	-	-	0.0%	-	0.0%	-	0.0%
Diluted basic loss per ordinary share from discontinued operations (cents)	-	-	0.0%	-	0.0%	-	0.0%
Headline loss per ordinary share from discontinued operations (cents)	-	-	0.0%	-	0.0%	-	0.0%
Diluted headline loss per ordinary share from discontinued operations (cents)	-	-	0.0%	-	0.0%	-	0.0%
Weighted average number of shares	1 131 656 702	1 298 653 375	14.8%	1 215 155 038	7.4%	1 131 656 702	0.0%
Diluted weighted average number of shares	1 131 656 702	1 298 653 375	14.8%	1 215 155 038	7.4%	1 131 656 702	0.0%
Total asset value per share (Rand)	2.19	2.08	(5.1%)	2.12	(3.2%)	2.17	(0.9%)
Net asset value per share (Rand)	1.73	1.71	(1.1%)	1.71	(1.1%)	1.71	(1.1%)
Tangible net asset value per share (Rand)	1.73	1.71	(1.1%)	1.71	(1.1%)	1.71	(1.1%)

9. The amounts set out in the column reflect the unaudited interim financial statements of Stellar Capital as at and for the period ended 31 May 2016 as adjusted for the events after the reporting date set out in notes 2 to 6 and the Scheme (assuming 60% acquisition by Stellar Capital) as set out in note 8.

**The fair value of listed investments held by Stellar Capital are influenced by the change in quoted market prices. The fair value of listed investments as presented in these *pro forma* financial effects have not been updated for changes in quoted market prices subsequent to the reporting period ended 31 May 2016, unless otherwise stated.**

## PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF STELLAR CAPITAL FOR THE PERIOD ENDED 31 MAY 2016

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects on the unaudited interim results of Stellar Capital for the period ended 31 May 2016 based on the assumption that the Proposed Transaction became effective on 1 December 2015.

	Period ended 31 May 2016 Before		Event after the reporting date: Cadiz acquisition		Event after the reporting date: Tellumat disposal		Event after the reporting date: Torre Acquisition		Event after the reporting date: Torre Offer		Event after the reporting date: Amevor Offer		Period ended 31 May 2016 after adjustment for events after the reporting date		After Scheme				
	R'000	(1)	R'000	(2)	R'000	(3)	R'000	(4)	R'000	(5)	R'000	(6)	R'000	(7)	R'000	(8)	R'000	(9)	
<b>Continuing operations</b>																			
Fair value adjustments	(448 425)		-	-	-	-	(10 226)	(259 766)	45 075	(673 342)	-	-	(673 342)	-	-	-	(673 342)	-	
Interest revenue	71 749		-	-	-	-	-	-	-	71 749	-	-	71 749	-	-	-	71 749	-	
Dividends received	8 638		-	-	-	-	293	7 440	-	16 371	-	-	16 371	-	-	-	16 371	-	
Impairment of loan to portfolio Company	(2 548)		-	-	-	-	-	-	-	(2 548)	-	-	(2 548)	-	-	-	(2 548)	-	
<b>Gross (loss)/income from investments</b>	<b>(370 586)</b>		-	-	-	-	<b>(9 933)</b>	<b>(252 326)</b>	<b>45 075</b>	<b>(587 770)</b>	-	-	<b>(587 770)</b>	-	-	-	<b>(587 770)</b>	-	
Other income	8 431		-	-	-	-	-	-	-	8 431	-	-	8 431	-	-	-	8 431	-	
Finance costs	(35 193)		-	-	-	-	-	-	-	(35 193)	-	-	(35 193)	-	-	-	(35 193)	-	
<b>Net income before operating expenses</b>	<b>(397 348)</b>		-	-	-	-	<b>(9 933)</b>	<b>(252 326)</b>	<b>45 075</b>	<b>(614 532)</b>	-	-	<b>(614 532)</b>	-	-	-	<b>(614 532)</b>	-	
Operating expenses																			
Management fee	(7 084)		(30)	(30)	-	-	(150)	(3 805)	(1 116)	(12 185)	(4 283)	(16 468)							
Impairment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of Consolidated Subsidiaries	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	(12 709)		-	-	(330)	(330)	-	-	(5 000)	(18 039)	(26 676)	(44 715)							
<b>(Loss)/Profit before taxation</b>	<b>(417 141)</b>		<b>(30)</b>	<b>(30)</b>	<b>(330)</b>	<b>(330)</b>	<b>(10 083)</b>	<b>(256 131)</b>	<b>38 959</b>	<b>(644 756)</b>	<b>(30 959)</b>	<b>(675 715)</b>							
Taxation	(14 318)		8	8	-	-	39	1 001	294	(12 976)	1 127	(11 849)							
<b>(Loss)/Profit from continuing operations</b>	<b>(431 459)</b>		<b>(22)</b>	<b>(22)</b>	<b>(330)</b>	<b>(330)</b>	<b>(10 044)</b>	<b>(255 130)</b>	<b>39 253</b>	<b>(657 732)</b>	<b>(29 832)</b>	<b>(687 564)</b>							
<b>Discontinued operations</b>																			
Net loss from discontinued operations	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (loss)/profit for the year</b>	<b>(431 459)</b>		<b>(22)</b>	<b>(22)</b>	<b>(330)</b>	<b>(330)</b>	<b>(10 044)</b>	<b>(255 130)</b>	<b>39 253</b>	<b>(657 732)</b>	<b>(29 832)</b>	<b>(687 564)</b>							
<b>(Loss)/Profit attributable to:</b>																			
Equity holders of the parent	(431 459)		(22)	(22)	(330)	(330)	(10 044)	(255 130)	39 253	(657 732)	(29 832)	(687 564)							
Non-controlling interests	-		-	-	-	-	-	-	-	-	-	-							
<b>(Loss)/Profit from continuing operations attributable to:</b>																			
Equity holders of the parent	(431 459)		(22)	(22)	(330)	(330)	(10 044)	(255 130)	39 253	(657 732)	(29 832)	(687 564)							
Non-controlling interests	-		-	-	-	-	-	-	-	-	-	-							
<b>(Loss) from discontinued operations attributable to:</b>																			
Equity holders of the parent	-		-	-	-	-	-	-	-	-	-	-							
Non-controlling interests	-		-	-	-	-	-	-	-	-	-	-							

	Period ended 31 May 2016 Before	Event after the reporting date: Cadiz acquisition	Event after the reporting date: Tellumat disposal	Event after the reporting date: Torre Acquisition	Event after the reporting date: Torre Offer	Event after the reporting date: Ameacor Offer	Period ended 31 May 2016 after adjustment for events after the reporting date	After Scheme
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(9)							
Non-controlling interests	-	-	-	-	-	-	-	-
<b>Reconciliation between basic and headline loss from continuing operations</b>								
Basic (loss)/profit attributable to equity holders of parent	(431 459)	(22)	(330)	(10 044)	(255 130)	-	(696 985)	(29 832)
Loss on disposal of Consolidated Subsidiaries	-	-	-	-	-	-	-	-
Tax effect of adjustments	-	-	-	-	-	-	-	-
<b>Headline loss from continuing operations</b>	<b>(431 459)</b>	<b>(22)</b>	<b>(330)</b>	<b>(10 044)</b>	<b>(255 130)</b>	<b>-</b>	<b>(696 985)</b>	<b>(29 832)</b>
<b>Reconciliation between basic and headline loss from discontinued operations</b>								
Basic loss attributable to equity holders of parent	-	-	-	-	-	-	-	-
Loss on disposal of Consolidated Subsidiary	-	-	-	-	-	-	-	-
Loss on disposal of property, plant and equipment	-	-	-	-	-	-	-	-
Tax effect of adjustments	-	-	-	-	-	-	-	-
<b>Headline loss from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Basic loss per ordinary share from continuing operations (cents)	(46.74)						(58.12)	(49.75)
Diluted basic loss per ordinary share from continuing operations (cents)	(46.74)						(58.12)	(49.75)
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(46.74)						(61.59)	(52.59)
Diluted headline loss per ordinary share from continuing operations (cents)	(46.74)						(61.59)	(52.59)
Basic loss per ordinary share from discontinued operations (cents)	-						-	-
Diluted basic loss per ordinary share from discontinued operations (cents)	-						-	-
Headline loss per ordinary share from discontinued operations (cents)	-						-	-
Diluted headline loss per ordinary share from discontinued operations (cents)	-						-	-
Weighted average number of shares	923 139 053	5 230 063	132 857 185	5 230 063	132 857 185	70 430 401	1 131 656 702	250 495 009
Diluted weighted average number of shares	923 139 053	5 230 063	132 857 185	5 230 063	132 857 185	70 430 401	1 131 656 702	250 495 009

## STATEMENT OF COMPREHENSIVE INCOME NOTES AND ASSUMPTIONS:

1. The amounts set out in the "Before" column have been extracted from the unaudited interim financial statements of Stellar Capital as at and for the period ended 31 May 2016.

### Events after the reporting date.

2. Acquisition of 2.79% of Friedshel 1678 Limited, the holding Company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited), as announced on SENS on 27 June 2016, accounted for at fair value of the investment acquired at R8 113 963. The Cadiz Acquisition was settled by way of the creation of a loan account owing by Stellar Capital to Cadiz group in the amount of R8 080 000 in relation to Tranche 3 and a cash settlement of R33 963 in relation to Cadiz Tranche 3.

Additional base management fee to Manco of R30 000 calculated as 1% per annum of the fair value of the additional investment in Friedshel 1678 Limited. The taxation effect is a reduction in taxation expense of R8,000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 31 May 2016, of the additional management fee multiplied by the taxation rate of 28%. Also refer note 3 of the Statement of Financial Position notes and assumptions. This adjustment is of a continuing nature.

3. The disposal of 51.1% of Tellumat Proprietary Ltd as announced on SENS on 20 May 2016 for an aggregate of R180 352 941 ("**Tellumat Disposal Consideration**"), fully vendor funded by way of a subscription for 180 353 redeemable preference shares in Masimong Technologies Proprietary Ltd ("**Masimong**") with a face value of R1 000 per preference share. Management is of the view that the fair value of the preference shares in Masimong is equal to the fair value of the 51.1% stake in Tellumat Proprietary Ltd of R134 925 766 and as a result, no accounting gain or loss has been recorded on disposal, save for transaction expenses of R330 000 accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. No taxation is due in relation to the disposal as Stellar Capital is able to utilize a portion of its estimated R558 700 000 unutilised capital losses in relation to the taxation gain of R45 427 175 recorded in respect of the disposal. This adjustment is not of a continuing nature.
4. The Torre Acquisition, comprising the issue of 10 460 127 ordinary Stellar Capital shares for 8 368 102 ordinary Torre shares ("**Torre Acquisition Shares**"), result in the following *pro forma* adjustments to the statement of comprehensive income:
  - 4.1. R10 226 000 fair valuation loss in respect of the Torre Acquisition Shares, representing the differential between the closing quoted market price of R2.78 per Torre share on 31 May 2016 and the closing quoted market price per Torre share of R4.00 on 1 December 2015, as well as the differential between the closing quoted market price of R2.78 per Torre share on 31 May 2016 and the deemed value of the Torre scrip distribution of R2.95 per Torre share. This adjustment is not of a continuing nature.
  - 4.2. Receipt of a scrip distribution in respect of the Torre Acquisition Shares in the amount of R293 000 (or 99 283 Torre shares at a deemed value of R2.95 per Torre share) on 3 March 2016 ("**Torre Acquisition Dividend**"). This adjustment is not of a continuing nature.
  - 4.3. Additional base management fee to Manco of R150 000, calculated as 1% per annum of the fair value of the Acquisition Shares. The taxation effect is a reduction in taxation expense of R39 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 31 May 2016, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
5. The Torre Offer, comprising the issue of 265,714,370 ordinary Stellar Capital shares, results in the following *pro forma* adjustments to the statement of comprehensive income:
  - 5.1. R259 766 000 fair valuation loss in respect of the Torre Offer Eligible Shares, representing the differential between the closing quoted market price of R2.78 per Torre share on 31 May 2016 and the closing quoted market price per Torre share of R4.00 on 1 December 2015, as well as the differential between the closing quoted market price of R2.78 per Torre share on 31 May 2016 and the deemed value of the Torre scrip distribution of R2.95 per Torre share. This adjustment is not of a continuing nature.
  - 5.2. Receipt of a scrip distribution in respect of the Torre Offer Eligible Shares in the amount of R7 440 000 (or 2 522 035 Torre shares at a deemed value of R2.95 per Torre share) on 3 March 2016 ("**Torre Offer Dividend**"). This adjustment is not of a continuing nature.
  - 5.3. Additional base management fee to Manco of R3 805 000, calculated as 1% per annum of the fair value of 212 571 496 ordinary Torre shares. The taxation effect is a reduction in taxation expense of R1 001 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 31 May 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
6. The acquisition of 100% of "Amecor" results in the following *pro forma* adjustments to the statement of comprehensive income:
  - 6.1. R45 075 000 fair valuation gain in respect of the Amecor Offer, representing the differential between the closing quoted market price of R3.49 per Amecor share on 31 May 2016 and the closing quoted market price per Amecor share of R2.85 on 1 December 2015. This adjustment is not of a continuing nature.
  - 6.2. Additional base management fee to Manco of R1 116 000, calculated as 1% per annum of the fair value of the Amecor Offer. The taxation effect is a reduction in taxation expense of R294 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 31 May 2016, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
  - 6.3. Transaction expenses of R5 000 000 (which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. This adjustment is not of a continuing nature.

### There are no other events after the reporting date which require inclusion in the *pro forma* financial effects presented.

7. The amounts set out in the column reflect the unaudited statement of financial position of Stellar Capital at 31 May 2016 as adjusted for the events after the reporting date set out in notes 2 to 6.

The issue of 600 convertible redeemable preference shares has not been treated as dilutive in calculating diluted earnings and headline earnings per share as the conversion thereof will result in a decrease in loss per share from continuing operations (i.e. the conversion is anti-dilutive).



8. The Scheme results in the following *pro forma* adjustments to the statement of comprehensive income:

8.1. Additional base management fee to Manco of R4 283 000, calculated as 1% per annum of the fair value of the Scheme Shares. The taxation effect is a reduction in taxation expense of R1 127 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 31 May 2016, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.

8.2. Transaction expenses of R26 676 000 (which have been assumed to be capital in nature and not deductible for taxation purposes). The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* interest adjustment has been made for these transaction costs. This adjustment is not of a continuing nature.

8.3. The table below sets out the *pro forma* financial effects, after adjusting for events after the reporting date set out in notes 2 to 6 and after the Scheme, assuming that 40%, 20% and 0% respectively of the PFH "B" Shareholders elect settlement in Stellar Capital Shares:

	Period ended 31 May 2016 after adjustment for events after reporting date	After Scenario 1: 40% subscription election	Change	After Scenario 2: 20% subscription election	Change	After Scenario 3: 0% subscription election	Change
Basic loss per ordinary share from continuing operations (cents)	(58.12)	(52.94)	8.9%	(56.58)	2.6%	(60.76)	(4.5%)
Diluted basic loss per ordinary share from continuing operations (cents)	(58.12)	(52.94)	8.9%	(56.58)	2.6%	(60.76)	(4.5%)
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(61.59)	(55.97)	9.1%	(59.81)	2.9%	(64.23)	(4.3%)
Diluted headline loss per ordinary share from continuing operations (cents)	(61.59)	(55.97)	9.1%	(59.81)	2.9%	(64.23)	(4.3%)
Basic loss per ordinary share from discontinued operations (cents)	–	–	0.0%	–	0.0%	–	0.0%
Diluted basic loss per ordinary share from discontinued operations (cents)	–	–	0.0%	–	0.0%	–	0.0%
Headline loss per ordinary share from discontinued operations (cents)	–	–	0.0%	–	0.0%	–	0.0%
Diluted headline loss per ordinary share from discontinued operations (cents)	–	–	0.0%	–	0.0%	–	0.0%
Weighted average number of shares	1 131 656 702	1 298 653 375	14.8%	1 215 155 038	7.4%	1 131 656 702	0.0%
Diluted weighted average number of shares	1 131 656 702	1 298 653 375	14.8%	1 215 155 038	7.4%	1 131 656 702	0.0%
Total asset value per share (Rand)	2.19	2.08	(5.1%)	2.12	(3.2%)	2.17	(0.9%)
Net asset value per share (Rand)	1.73	1.71	(1.1%)	1.71	(1.1%)	1.71	(1.1%)
Tangible net asset value per share (Rand)	1.73	1.71	(1.1%)	1.71	(1.1%)	1.71	(1.1%)

9. The amounts set out in the column reflect the unaudited interim statement of comprehensive income of Stellar Capital as at and for the period ended 31 May 2016 as adjusted for the events after the reporting date set out in notes 2 to 6 and the Scheme (assuming 60% acquisition by Stellar Capital) as set out in note 8.

The issue of 600 convertible redeemable preference shares has not been treated as dilutive in calculating diluted earnings and headline earnings per shares as the conversion thereof will result in a decrease in loss per share from continuing operations (i.e. the conversion is anti-dilutive).

**The fair value of listed investments held by Stellar Capital are influenced by the change in quoted market prices. The fair value of listed investments as presented in these pro forma financial effects have not been updated for changes in quoted market prices subsequent to the reporting period ended 31 May 2016, unless otherwise stated.**

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**REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF STELLAR CAPITAL**

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23 September 2016

The Board of Directors  
Stellar Capital Partners  
Third Floor, The Terraces  
25 Protea Road  
Claremont  
Cape Town  
7708  
South Africa

Dear Sirs and Madams

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

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Stellar Capital Partners by the directors. The *pro forma* financial information, as set out in Annexures 6 and 7 of the Prescient Limited circular ("the circular"), to be dated on or about 30 September 2016, consists of the *pro forma* statement of comprehensive income, the *pro forma* statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and Regulation 106(6)(d)(ii) of the Companies Regulations, 2011.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the offer to all Stellar Capital Partners shareholders in terms of the Companies Act, No. 71 of 2008, (the "Companies Act") read with Chapter 5 of the Companies Regulations, 2011 (the "Companies Regulations"), described in the circular using the Company's financial position as of 30 November 2015 and financial performance for the year then ended, updated for any known transactions that have been announced through SENS post this date through to August 2016. The basis for the *pro forma* financial information is to determine the financial effects as if the corporate action or event had taken place at 1 December 2014, being the commencement date of the financial year for the purposes of the statement of comprehensive income and 30 November 2015, being the last day of the financial year or period for the purposes of the statement of financial position.

*Pro forma* financial information has also been compiled based on the JSE Listings Requirements on the Company's financials at 31 May 2016, and the Company's financial performance for the six months then ended as applicable, as if the corporate action or event had taken place at 1 December 2015, being the commencement date of the financial year or period for the purposes of the statement of comprehensive income and 31 May 2016, being the last day of the financial year or period for the purposes of the statement of financial position.

As part of the above process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year-ended 30 November 2015, on which an unmodified auditor's report was issued on 24 February 2016, and the unaudited interim results for the six month period ending 31 May 2016 released on SENS dated 15 August 2016.

**Directors' responsibility for the *pro forma* financial information**

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and Regulation 106(6)(d)(ii) of the Companies Regulations described in Annexures 6 and 7 of the circular.

**Quality control**

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

## **Independence and other ethical requirements**

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

## **Reporting Accountant's responsibility**

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements, the Companies Act and the Companies Regulations 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*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and Regulation 106(6)(d)(ii) of the Companies Regulations.

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

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

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

## **Opinion**

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and Regulation 106(6)(d)(ii) of the Companies Regulations and described in Annexures 6 and 7 of the circular.

## **Deloitte & Touche**

Registered Auditors

### **Per: Dirk Steyn**

*Partner*

23 September 2016  
1st Floor, The Square, Cape Quarter  
27 Somerset Road  
Greenpoint  
8005

**EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF STELLAR CAPITAL FOR THE YEAR ENDED 30 NOVEMBER 2015, 15 MONTHS ENDED 30 NOVEMBER 2014, YEAR ENDED 31 AUGUST 2013 AND UNAUDITED HISTORICAL FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 MAY 2016 (TRP REQUIREMENT)**

**SUMMARY OF FINANCIAL RESULTS**

**Sum-of-the-parts net asset value**

The Group's sum-of-the-parts (SOTP) is presented as follows:

<b>R'000</b>	<b>Unaudited as at 31 May 2016</b>	<b>% of portfolio</b>	<b>Audited as at 30 November 2015</b>	<b>% of portfolio</b>
<i>Industrials and technology</i>				
Torre Industries Ltd	493 879	25%	900 833	36%
Tellumat Proprietary Ltd	260 643	13%	100 119	4%
<i>Financial Services</i>				
Cadiz Holdings Proprietary Ltd <sup>1</sup>	240 643	12%	134 390	6%
Praxis Financial Services Proprietary Ltd <sup>2</sup>	133 997	7%	40 000	2%
Integrated Equipment Rentals Proprietary Ltd <sup>2</sup>	37 272	2%	23 417	1%
Stellar Credit Proprietary Ltd	2 500	0%	–	0%
<i>Corporate Assets</i>				
Loan portfolio	486 077	24%	73 602	3%
Cash and cash equivalents	305 494	15%	797 760	32%
Financial assets	31 500	2%	370 525	15%
Other assets	11 770	0%	32 631	1%
<b>Total Assets</b>	<b>2 003 775</b>		<b>2 473 277</b>	
Preference shares	(554 559)		(548 478)	
Trade and other payables	(6 315)		(42 778)	
<b>Total SOTP value</b>	<b>1 442 901</b>		<b>1 882 021</b>	
Net shares in issue ('000)	920 627		925 456	
<b>SOTP value per share (Rand)</b>	<b>1.57</b>		<b>2.03</b>	
SOTP value per share post preference share conversion (Rand) <sup>3</sup>	1.76		2.13	

**Notes**

1. The net investment value of Cadiz Holdings Proprietary Ltd represents the fair value of the investment as at 31 May 2016, less the liability owing to the investee in respect of the portion of the acquisition price settled by the investee. Subsequent to the end of the financial period, a special dividend of excess capital was declared and paid by Cadiz, which will reduce the carrying value of this investment going forward.
2. The value comprises the sum of the fair value of the equity and the face value of the loans to these portfolio companies.
3. The conversion assumes an issuance of a maximum 215.8 million ordinary shares at R2.78 per share in settlement of convertible preference share funding.

## STATEMENT OF FINANCIAL POSITION

R'000	Consolidated			Company		
	At	At	At	At	At	At
	30 November	30 November	31 August	30 November	30 November	31 August
	2015	2014	2013	2015	2014	2013
<b>ASSETS</b>						
<b>Non-current assets</b>	<b>1 278 806</b>	<b>6 483</b>	<b>51 851</b>	<b>1 278 806</b>	<b>–</b>	<b>134 949</b>
Goodwill	–	–	34 822	–	–	–
Property, plant and equipment	–	–	4 342	–	–	8
Intangible assets	–	–	2 910	–	–	–
Listed investments at fair value	914 859	3 267	–	914 859	–	–
Unlisted investments at fair value	234 509	–	–	234 509	–	–
Loan investments	56 631	–	–	56 631	–	–
Loans to portfolio companies	18 978	–	–	18 978	–	–
Investments in Consolidated Subsidiaries	–	–	–	–	–	134 941
Other financial assets	46 803	–	–	46 803	–	–
Deferred taxation	7 026	3 216	9 777	7 026	–	–
<b>Current assets</b>	<b>1 194 471</b>	<b>76 638</b>	<b>139 235</b>	<b>1 192 089</b>	<b>79 644</b>	<b>14 898</b>
Loan investments	16 971	22 231	–	16 971	22 231	–
Inventory	–	–	58 688	–	–	–
Loans to portfolio companies	55 995	–	–	55 995	–	–
Loans to related parties	–	–	–	–	–	11 758
Other financial assets	323 722	50 502	2 331	323 722	50 502	2 200
Loans to Consolidated Subsidiaries	–	–	–	83 969	4 475	–
Current tax receivable	–	–	883	–	–	–
Trade and other receivables	23	571	62 644	23	98	101
Cash and cash equivalents	797 760	3 334	14 689	711 409	2 338	839
<b>Non-current assets held for sale</b>	<b>–</b>	<b>129 668</b>	<b>262 058</b>	<b>–</b>	<b>100 119</b>	<b>122 831</b>
<b>TOTAL ASSETS</b>	<b>2 473 277</b>	<b>212 789</b>	<b>453 144</b>	<b>2 470 895</b>	<b>179 763</b>	<b>272 678</b>

R'000	Consolidated			Company		
	At	At	At	At	At	At
	30 November	30 November	31 August	30 November	30 November	31 August
	2015	2014	2013	2015	2014	2013
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>	<b>1 882 021</b>	<b>179 108</b>	<b>210 508</b>	<b>1 879 705</b>	<b>177 211</b>	<b>242 582</b>
Equity attributable to owners of the parent	1 882 021	193 329	219 113	1 879 705	177 211	242 582
Non-controlling interest	–	(14 221)	(8 605)	–	–	–
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>	<b>497 660</b>	<b>–</b>	<b>1 357</b>	<b>497 660</b>	<b>–</b>	<b>–</b>
Operating lease liability	–	–	1 251	–	–	–
Deferred tax	–	–	106	–	–	–
Preference share liability	497 660	–	–	497 660	–	–
<b>Current liabilities</b>	<b>93 596</b>	<b>4 132</b>	<b>102 031</b>	<b>93 530</b>	<b>2 552</b>	<b>30 096</b>
Preference share liability	50 818	–	–	50 818	–	–
Finance lease obligation	–	–	126	–	–	–
Interest bearing loans and other financial liabilities	–	–	29 241	–	–	27 206
Provisions	–	–	1 046	–	–	–
Bank overdraft	–	–	15 066	–	–	–
Current tax payable	204	421	490	204	421	490
Trade and other payables	42 574	3 711	56 062	42 508	2 131	2 400
<b>Liabilities of disposal group held for sale</b>	<b>–</b>	<b>29 549</b>	<b>139 248</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 473 277</b>	<b>212 789</b>	<b>453 144</b>	<b>2 470 895</b>	<b>179 763</b>	<b>272 678</b>

## STATEMENT OF COMPREHENSIVE INCOME

R'000	Year ended 30 November 2015	Consolidated 15 months ended 30 November 2014	Restated year-ended 31 August 2013	Year ended 30 November 2015	Company 15 months ended 30 November 2014	Restated year-ended 31 August 2013
<b>Continuing operations</b>						
Fair value adjustments	(21 334)	414	6 672	(21 948)	–	5 646
Interest revenue	24 308	7 913	–	22 089	7 694	–
Dividends received	9	–	–	1 497	–	–
Service revenue	–	797	19 896	–	248	996
Cost of sales	–	(490)	(18 264)	–	–	–
<b>Gross income from investments</b>	<b>2 983</b>	<b>8 634</b>	<b>8 304</b>	<b>1 638</b>	<b>7 942</b>	<b>6 642</b>
Other income	7 356	10 853	12 554	7 340	50	8 033
Finance costs	(202)	(2 360)	(528)	(156)	(2 356)	(614)
<b>Net income before operating expenses</b>	<b>10 137</b>	<b>17 127</b>	<b>20 026</b>	<b>8 822</b>	<b>5 636</b>	<b>14 061</b>
Operating expenses						
• Management fee	(8 292)	–	–	(8 292)	–	–
• Impairment	(1 173)	(2 950)	(3 333)	(2 276)	(47 661)	(234 006)
• (Loss)/profit on disposal of Consolidated Subsidiaries	(13 935)	–	–	10	(18 069)	–
• Other operating expenses	(16 183)	(12 378)	(43 647)	(14 163)	(8 697)	(24 587)
<b>(Loss)/profit before taxation</b>	<b>(29 446)</b>	<b>1 799</b>	<b>(26 650)</b>	<b>(15 899)</b>	<b>(68 791)</b>	<b>(244 532)</b>
Taxation	1 505	1 617	(4 116)	4 721	–	2 674
<b>(Loss)/profit from continuing operations</b>	<b>(27 941)</b>	<b>3 416</b>	<b>(30 766)</b>	<b>(11 178)</b>	<b>(68 791)</b>	<b>(241 858)</b>
<b>Discontinued operations</b>						
Net loss from discontinued operations	(8 747)	(92 469)	(195 501)	–	–	–
Loss for the period	(36 688)	(89 053)	(226 267)	(11 178)	(68 791)	(241 858)
Exchange gain on translation of foreign operations			388			
Gains on revaluation of land and buildings			99			
Other comprehensive income for the period/year net of tax			487			
<b>Total comprehensive loss for the period/year</b>	<b>(36 688)</b>	<b>(89 053)</b>	<b>(225 780)</b>	<b>(11 178)</b>	<b>(68 791)</b>	<b>(241 858)</b>
<b>Loss for the period attributable to:</b>	<b>(36 688)</b>	<b>(89 053)</b>	<b>(226 267)</b>	<b>(11 178)</b>	<b>(68 791)</b>	<b>(241 858)</b>
Equity owners of the parent	(36 688)	(94 293)	(209 204)	(11 178)	(68 791)	(241 858)
Non-controlling interest	–	5 240	(17 063)	–	–	–
<b>(Loss)/profit from continuing operations attributable to:</b>	<b>(27 941)</b>	<b>3 416</b>	<b>(30 766)</b>	<b>(11 178)</b>	<b>(68 791)</b>	<b>(241 858)</b>
Equity owners of the parent	(27 941)	(1 824)	(27 117)	(11 178)	(68 791)	(241 858)
Non-controlling interest	–	5 240	(3 649)	–	–	–
<b>Loss from discontinued operations attributable to:</b>	<b>(8 747)</b>	<b>(92 469)</b>	<b>(195 501)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Equity owners of the parent	(8 747)	(92 469)	(182 087)	–	–	–
Non-controlling interest	–	–	(13 414)	–	–	–
<b>Total comprehensive loss for the period attributable to:</b>	<b>(36 688)</b>	<b>(89 053)</b>	<b>(225 780)</b>	<b>(11 178)</b>	<b>(68 791)</b>	<b>(241 858)</b>
Equity owners of the parent	(36 688)	(94 293)	(208 949)	(11 178)	(68 791)	(241 858)
Non-controlling interest	–	5 240	(16 831)	–	–	–
<b>Loss per share</b>						
<b>Basic and diluted loss per share (cents)</b>	<b>(12.29)</b>	<b>(94.12)</b>				
From continuing operations	(9.36)	(1.82)				
From discontinued operations	(2.93)	(92.30)				

## STATEMENT OF CHANGES OF EQUITY

R'000

Group	Ordinary share capital	Preference share capital	Share capital and share premium	Treasury shares	Share-based payment reserve	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Equity balances attributable to step-up transactions	Equity attributable owners of the parent	Non-controlling interest	Total equity
<b>Balance at 1 September 2012</b>	-	-	436 951	(14 490)	1 300	(200)	137	60 483	(60 036)	424 145	59 043	483 188
Loss for the year	-	-	-	-	-	-	-	(209 204)	-	(209 204)	(17 063)	(226 267)
Exchange gain on translation of foreign operation	-	-	-	-	-	200	-	-	-	200	188	388
Revaluation of land and buildings	-	-	-	-	-	-	55	-	-	55	44	99
Conversion of par value shares	436 951	-	(436 951)	-	-	-	-	-	-	-	-	-
Shares issued in terms of transactions with non-controlling shareholders	15 888	-	-	-	-	-	-	-	-	15 888	-	15 888
Equity settled share-based payments	-	-	-	-	476	-	-	-	-	476	-	476
Shares vested in terms of forfeitable share plan	-	-	-	876	(876)	-	-	-	-	-	-	-
Own shares acquired by subsidiaries, held as treasury shares	-	-	-	(21 211)	-	-	-	-	-	(21 211)	-	(21 211)
Own shares acquired by subsidiaries, held as treasury shares re-issued	-	-	-	29 521	-	-	-	(6 382)	-	23 139	-	23 139
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	(14 375)	(14 375)	(50 817)	(65 192)
<b>Balance at 1 September 2013</b>	<b>452 839</b>	-	-	<b>(5 304)</b>	<b>900</b>	-	<b>192</b>	<b>(155 103)</b>	<b>(74 411)</b>	<b>219 113</b>	<b>(8 605)</b>	<b>210 508</b>
(Loss/profit) for the period	-	-	-	-	(900)	-	(192)	(93 201)	-	(94 293)	5240	(89 053)
Equity settled share-based payments	3 420	-	-	-	-	-	-	-	-	3 420	-	3 420
Shares vested in terms of forfeitable share plan	-	-	-	1 350	-	-	-	-	-	1 350	-	1 350
Own shares acquired by subsidiaries, held as treasury shares	-	-	-	(78)	-	-	-	-	-	(78)	-	(78)
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	63 817	63 817	(10 856)	52 961
<b>Balance at 1 December 2014</b>	<b>456 259</b>	-	-	<b>(4 032)</b>	-	-	-	<b>(248 304)</b>	<b>(10 594)</b>	<b>193 329</b>	<b>(14 221)</b>	<b>179 108</b>
Loss for the year	-	-	-	-	-	-	-	(36 688)	-	(36 688)	-	(36 688)
Issue of shares	1 701 194	33 119	-	-	-	-	-	-	-	1 734 313	-	1 734 313
Capitalisation of share issue costs	(19 566)	(1 075)	-	-	-	-	-	-	-	(20 641)	-	(20 641)
Disposal of treasury shares	-	-	-	4 032	-	-	-	(2 918)	-	1 114	-	1 114
Disposal of subsidiary	-	-	-	-	-	-	-	-	10 594	10 954	14 221	24 815
<b>Balance at 30 November 2015</b>	<b>2 137 887</b>	<b>32 044</b>	-	-	-	-	-	<b>(287 910)</b>	-	<b>1 882 021</b>	-	<b>1 882 021</b>



Company	Ordinary share capital	Preference share capital	Treasury shares	Share-based payment reserve	Revaluation reserve	Accumulated loss	Equity balances attributable to step-up transactions	Equity attributable owners of the parent	Non- controlling interest	Total equity
<b>Balance at 1 September 2013</b>	452 839	–	–	–	–	(210 257)	–	242 582	–	242 582
Loss for the period	–	–	–	–	–	(68 791)	–	(68 791)	–	(68 791)
Equity settled share-based payments	3 420	–	–	–	–	–	–	3 420	–	3 420
<b>Balance at 1 December 2014</b>	456 259	–	–	–	–	(279 048)	–	177 211	–	177 211
Loss for the year	–	–	–	–	–	(11 178)	–	(11 178)	–	(11 178)
Issue of shares	1 701 194	33 119	–	–	–	–	–	1 734 313	–	1 734 313
Capitalisation of share issue costs	(19 566)	(1 075)	–	–	–	–	–	(20 641)	–	(20 641)
<b>Balance at 30 November 2015</b>	<b>2 137 887</b>	<b>32 044</b>	–	–	–	<b>(290 226)</b>	–	<b>1 879 705</b>	–	<b>1 879 705</b>

R'000

## STATEMENT OF CASH FLOWS

R'000	Consolidated			Company		
	Year ended 30 November 2015	15 months ended 30 November 2014	Restated year-ended 31 August 2013	Year ended 30 November 2015	15 months ended 30 November 2014	Year ended 31 August 2013
<b>Operating activities</b>						
Cash generated from/(utilised in) operations	23 874	(10 436)	(4 561)	26 791	(5 813)	(3 655)
Interest revenue	24 308	7 913	147	22 089	7 694	78
Dividends received	–	–	–	–	–	7 000
Finance costs	(202)	(2 360)	54	(156)	(2 356)	(32)
Tax paid	(2 522)	(69)	–	(2 522)	(69)	–
Discontinued operations	–	7 210	(36 198)	–	–	–
<b>Cash generated from/(utilised in) operating activities</b>	<b>45 458</b>	<b>2 258</b>	<b>(40 558)</b>	<b>46 202</b>	<b>(544)</b>	<b>3 391</b>
<b>Investing activities</b>						
Additions to property and equipment	–	–	(33)	–	–	(10)
Proceeds on disposal of property and equipment	–	–	64	–	–	–
Acquisition of investments	(179 250)	(14 587)	–	(183 131)	–	–
Proceeds from disposal of investments	211 275	11 734	18 789	211 275	–	18 789
Acquisition of loan investments	(51 371)	–	–	(51 371)	–	–
Loans advanced to portfolio companies	(74 973)	–	–	(74 973)	–	–
Net cash flow on disposal of Consolidated Subsidiaries	(211)	54 001	–	10	–	–
Loans advanced to Consolidated Subsidiaries	–	–	–	(81 325)	(3 784)	–
Acquisition of other financial assets	(234 724)	(22 808)	–	(234 724)	–	–
Disposal of other financial assets	50 100	–	236	50 100	33 033	–
Discontinued operations	–	(1 382)	(20 035)	–	–	–
<b>Cash (utilised in)/generated from investing activities</b>	<b>(279 154)</b>	<b>26 958</b>	<b>(979)</b>	<b>(364 139)</b>	<b>29 249</b>	<b>(18 254)</b>
<b>Financing activities</b>						
Net proceeds from ordinary share issue	446 486	–	7 015	446 486	–	–
Net proceeds from preference share issue	580 522	–	–	580 522	–	–
Proceeds from loans	–	–	12 572	–	–	12 572
Transactions with non-controlling shareholders	–	–	(21 920)	–	–	–
Repayment of financial liabilities	–	(27 207)	–	–	(27 206)	–
Disposal/(purchase) of treasury shares by Consolidated Subsidiary	1 114	(78)	–	–	–	–
Discontinued operations	–	524	(8 898)	–	–	–
<b>Cash generated from/(utilised in) financing activities</b>	<b>1 028 122</b>	<b>(26 761)</b>	<b>(11 233)</b>	<b>1 027 008</b>	<b>(27 206)</b>	<b>12 572</b>
<b>Net increase in cash and cash equivalents</b>	<b>794 426</b>	<b>2 455</b>	<b>(52 770)</b>	<b>709 071</b>	<b>1 499</b>	<b>(2 291)</b>
Cash and cash equivalents at the beginning of the period	3 334	(377)	66 496	2 338	839	3 130
Transferred to disposal group held for sale	–	1 256	(14 103)	–	–	–
<b>Total cash and cash equivalents at end of the period</b>	<b>797 760</b>	<b>3 334</b>	<b>(377)</b>	<b>711 409</b>	<b>2 338</b>	<b>839</b>

**STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 31 MAY 2016**

<b>R'000</b>	<b>Unaudited as at 31 May 2016</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	<b>1 041 724</b>
Listed investments held at fair value	493 879
Unlisted investments held at fair value	546 807
Loan investments	–
Loans to portfolio companies	–
Other financial assets	–
Property, plant and equipment	1 038
Deferred taxation	–
<b>Current assets</b>	<b>1 005 072</b>
Loan investments	–
Loans to portfolio companies	667 255
Other financial assets	31 500
Trade and other receivables	823
Cash and cash equivalents	305 494
<b>TOTAL ASSETS</b>	<b>2 046 796</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	<b>1 442 901</b>
Equity attributable to owners of the parent	1 442 901
Non-controlling interest	–
<b>Non-current liabilities</b>	<b>500 118</b>
Preference share liability	500 118
<b>Current liabilities</b>	<b>103 777</b>
Preference share liability	54 441
Liability to investee Company	43 021
Current tax payable	–
Trade and other payables	6 315
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 046 796</b>

**STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MAY 2016**

R'000	Unaudited six months ended 31 May 2016
<b>Continuing operations</b>	
Fair value losses	(448 425)
Interest revenue	71 749
Dividends received	8 638
Impairment of loan to portfolio Company	(2 548)
<b>Gross (loss)/income from investments</b>	<b>(370 586)</b>
Other income	8 431
Finance costs	(35 193)
<b>Net (loss)/income before operating expenses</b>	<b>(397 348)</b>
Operating expenses	
Management fee	(7 084)
Impairments	–
Loss on disposal of consolidated subsidiaries	–
Other operating expenses	(12 709)
<b>Loss before tax</b>	<b>(417 141)</b>
Taxation	(14 318)
<b>Loss from continuing operations</b>	<b>(431 459)</b>
<b>Discontinued operations</b>	
Net loss from discontinued operations	–
<b>Loss for the period</b>	<b>(431 459)</b>
Loss for the period attributable to:	
Equity owners of the parent	(431 459)
Non-controlling interests	–
Loss from continuing operations attributable to:	
Equity owners of the parent	(431 459)
Non-controlling interests	–
Loss from discontinued operations attributable to:	
Equity owners of the parent	–
Non-controlling interests	–
Weighted number of shares in issue	923 139 053
Diluted weighted number of shares in issue	923 139 053
<b>Basic and diluted loss per share (cents)</b>	<b>(46.74)</b>
From continuing operations	(46.74)
From discontinued operations	–
<b>Basic and diluted headline loss per share (cents)</b>	<b>(46.74)</b>
From continuing operations	(46.74)
From discontinued operations	–

**STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MAY 2016**

<b>R'000</b>	<b>Unaudited six months ended 31 May 2016</b>
Balance at the beginning of the period	1 882 021
Loss for the period	(431 459)
Issue of shares	12 951
Capitalisation of share issue costs	(46)
Acquisition of treasury shares	(20 566)
Disposal of treasury shares	-
Disposal of consolidated subsidiary	-
<b>Balance at the end of the period</b>	<b>1 442 901</b>

**STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MAY 2016**

<b>R'000</b>	<b>Unaudited six months ended 31 May 2016</b>
Net cash flows from operating activities	18 288
Net cash flows from investing activities	(460 875)
Net cash flows from financing activities	(49 679)
<b>Total cash movement for the period</b>	<b>(492 266)</b>
Cash and cash equivalents at the beginning of the period	797 760
<b>Cash and cash equivalents at the end of the period</b>	<b>305 494</b>

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**PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION (PFH)**

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The definitions and interpretations commencing on page 9 of this Circular shall apply, *mutatis mutandis*, to this section.

The *pro forma* consolidated statement of comprehensive income for the year-ended 31 March 2016 and *pro forma* consolidated statement of financial position at 31 March 2016 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of PFH. Due to its nature, the *pro forma* financial information may not fairly present PFH's financial position, changes in equity and results of operations or cash flows after the Proposed Transaction, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented on 1 April 2015; and
- for the purpose of calculating total asset value per share, net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 31 March 2016;

The *pro forma* financial information has been prepared using the most recent consolidate annual financial statements of PFH for the year-ended 31 March 2016 in accordance with the Companies Act and guidelines issued by the South African Institute of Chartered Accountants.

The accounting policies of PFH have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by PFH for its latest annual financial statements for the year-ended 31 March 2016 and the accounting policies herein have been applied on the same basis.

The directors of PFH are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in Annexure 11 to this Circular.

**PRO FORMA STATEMENT OF FINANCIAL POSITION OF PFH AT 31 MARCH 2016**

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of PFH as at 31 March 2016 based on the assumption that the Proposed Transaction became effective on 31 March 2016.

	At 31 March 2016 (1)	Purchase of PFSI (2)	InterCompany eliminations (3)	PFH and PFSI post acquisition (4)	Subscription for "B" shares (5)	Dividend to PCT (6)	Transaction costs (8)	After transaction
<b>Before R'000</b>								
<b>Assets</b>								
<b>Non-current assets</b>	<b>11 294 055</b>	18 562	-	11 312 617	-	-	-	11 312 617
Property and equipment	4 379	83		4 462				4 462
Goodwill and intangible assets	75 262	-		75 262				75 262
Deferred tax asset	8 912	-		8 912				8 912
Long-term loans and other receivables	113 900	-		113 900				113 900
Investment in equity-accounted investees	2 011	-		2 011				2 011
Financial assets at fair value through profit or loss	114 379	18 479		132 858				132 858
Linked investments backing policyholder funds	10 975 212	-		10 975 212				10 975 212
<b>Current assets</b>	<b>850 202</b>	11 707	( 1 156)	860 753	1 427 822	(1 427 822)	(410)	860 342
Trade and other receivables	61 758	5 004	( 1 156)	65 607				65 606
Amounts owing by clearing houses	192 777	-		192 777				192 777
Amounts owing by clients	429 186	-		429 186				429 186
Taxation receivable	170	85		255				255
Cash and cash equivalents	166 310	6 618		172 928	1 427 822	(1 427 822)	(410)	172 518
<b>Total assets</b>	<b>12 144 257</b>	30 269	( 1 156)	12 173 370	1 427 822	(1 427 822)	(410)	12 172 959
<b>Equity</b>								
Stated capital	53 309			53 309	1 427 822	( 53 309)		1 427 822
Reserves	5 906	28 420		34 326				34 326
Retained income	212 524			212 524		(1 374 513)	(410)	( 1 162 399)
<b>Total equity attributable to owners of the Company</b>	<b>271 740</b>	28 420	-	300 160	1 427 822	(1 427 822)	(410)	299 750
<b>Non-controlling interests</b>	<b>17 367</b>	-		17 367				17 367
<b>Total equity</b>	<b>289 107</b>	28 420	-	317 527	1 427 822	(1 427 822)	(410)	317 117

	At 31 March 2016 (1)	Purchase of PFSI (2)	InterCompany eliminations (3)	PFSI post acquisition (4)	Subscription for "B" shares (5)	Dividend to PCT (6)	Transaction costs (8)	After transaction
<b>Before R'000</b>	<b>11 042 446</b>	<b>14</b>	<b>(998)</b>	<b>11 041 462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 041 462</b>
<b>Liabilities</b>								
<b>Non-current liabilities</b>	<b>2 722</b>	<b>14</b>		<b>2 736</b>				<b>2 736</b>
Deferred tax liability								
Policyholder investment contract liabilities	<b>10 974 330</b>	<b>-</b>	<b>(998)</b>	<b>10 974 330</b>				<b>10 974 330</b>
Loans payable	<b>65 394</b>	<b>-</b>		<b>64 396</b>				<b>64 396</b>
<b>Current liabilities</b>	<b>812 704</b>	<b>1 834</b>	<b>(158)</b>	<b>814 380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>814 380</b>
Trade and other payables								
Amounts owing to clearing houses	<b>63 123</b>	<b>1 834</b>	<b>(158)</b>	<b>64 799</b>				<b>64 799</b>
Amounts owing to clients	<b>16 134</b>	<b>-</b>		<b>16 134</b>				<b>16 134</b>
Current tax payable	<b>604 668</b>	<b>-</b>		<b>604 668</b>				<b>604 668</b>
Loans payable	<b>1 297</b>	<b>-</b>		<b>1 297</b>				<b>1 297</b>
Bank overdraft	<b>70 570</b>	<b>-</b>		<b>70 570</b>				<b>70 570</b>
	<b>56 912</b>	<b>-</b>		<b>56 912</b>				<b>56 912</b>
<b>Total liabilities</b>	<b>11 855 150</b>	<b>1 848</b>	<b>(1 156)</b>	<b>11 855 842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 855 842</b>
<b>Total equity and liabilities</b>	<b>12 144 257</b>	<b>30 268</b>	<b>(1 156)</b>	<b>12 173 369</b>	<b>1 427 822</b>	<b>(1 427 822)</b>	<b>(410)</b>	<b>12 172 959</b>
Number of "A" ordinary shares in issue	<b>89</b>							<b>89</b>
Number of "B" ordinary shares in issue	<b>1 669 250 950</b>							<b>1 669 250 950</b>
Total ordinary shares in issue	<b>1 669 251 039</b>							<b>1 669 251 039</b>
Total asset value per share (Rand)	<b>7.28</b>							<b>7.29</b>
Net asset value per share (Rand)	<b>0.17</b>							<b>0.19</b>
Tangible net asset value per share (Rand)	<b>0.13</b>							<b>0.14</b>



**STATEMENT OF FINANCIAL POSITION NOTES AND ASSUMPTIONS:**

1. The amounts set out in the “Before” column have been extracted from the audited annual financial statements of PFH as at and for the year-ended 31 March 2016.
2. This column reflects the purchase of Prescient Fund Services Ireland (“PFSI”) by PFH for a nominal consideration. The assets and liabilities of PFSI have been extracted from the audited annual financial statements for the year-ended 31 March 2016. These financial statements were audited by KPMG Ireland. The scope of the Proposed Transaction includes PFSI as an operating entity within PFH, however, it is currently held outside of PFH. Prior to the Proposed Transaction, PFH will be restructured to recognize this subsidiary within PFH. This restructuring will include a purchase of PFSI for €1. This column reflects the consolidating inclusion of PFSI’s assets and liabilities with PFH. PFH’s accounting policy is to apply the Book Value method of accounting in respect of a common control transaction, and therefore the difference between the book value and the consideration received will reflect directly in the Statement of Changes of Equity for an amount of R28.420 million.
3. This column reflects the consolidation journal entries that eliminate loan and receivable and payable balances between PFH and PFSI due to the fact that they are now within a single consolidated entity.
4. This column reflects the *pro forma* consolidated Statement of Financial Position for PFH and PFSI, which is reflected in column 2 of the *pro forma* financial effects of PCT included in Annexure 2.
5. Subscription for “B” ordinary shares in PFH by Stellar Capital for an amount of R1.427 billion. The subscription is received in cash and is reflected on the statement of financial position as an increase in stated capital for the same amount.
6. The subscription for “B” ordinary shares is followed by a distribution of R1.427 billion by PFH to Prescient Limited. This interCompany dividend is reflected as a reduction in cash and a distribution of the dividend out of capital and reserves. The return of CTC (share capital) on the distribution by PFH to Prescient is funded from the original PFH CTC (share capital) and none from the CTC introduced by Stellar Capital.
7. There is no interest calculated on the cash received from the subscription as the dividend to PCT is paid immediately following the subscription by Stellar Capital.
8. Transaction costs of R410 000 have been recognised in relation to the Proposed Transaction. These have been reflected as having been settled from cash balances on the date of the Proposed Transaction. These are the transaction costs that are specifically incurred by PFH in relation to the Proposed Transaction.
9. The shares in issue used to calculate the net asset value per share and the tangible net asset value per share assume that the shares in issue are in existence in the “Before” column in order that the *pro forma* financial effects are comparable between Before and After. These shares in issue include the ordinary shares as well as the “B” ordinary shares.
10. No provision has been made for the Effective Date adjustments referred to in Paragraph 2.1.2 in Section B as these adjustments represent a future event, at the date of posting the circular, and the inclusion thereof would constitute a forecast of earnings.
11. The table below sets out the *pro forma* financial effects set out in notes 1 to 9 above:

	Before the Proposed Transaction	After the Proposed Transaction	% Change
Net asset value per share (cents)	17.32	19.00	9.69%
Net tangible asset value per share (cents)	12.81	14.49	13.10%
Weighted average number of shares in issue ('000)	1 669 251	1 669 251	–
Shares in issue at the end of the period (‘000)	1 669 251	1 669 251	–

**PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF PFH FOR THE PERIOD ENDED 31 MARCH 2016**

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects on the audited results for the year-ended 31 March 2016 based on the assumption that the Scheme became effective on 1 April 2015.

	Year ended 31 March 2016 (1)	PFSI income and expenses (3)	InterCompany eliminations (4)	PFH and PFSI following acquisition (6)	Transaction costs (6)	After transaction
<b>Before R'000</b>						
Total income	361 614	17 491	(4 722)	374 383	–	374 383
Service fees	335 232	18 265	(4 722)	348 775		348 775
Interest and dividend income	25 691	13		25 704		25 704
Other investment income	691	(787)		(96)		(96)
Operating expenses	(230 560)	(11 715)	4 722	(237 553)	(410)	(237 963)
Share-based payment expense	(1 412)	–		(1 412)		(1 412)
Profit from operations	129 642	5 776	–	135 418	(410)	135 008
Other income	696	–		696		696
Share of profit of equity-accounted investees (net of tax)	757	–		757		757
Finance costs	(11 538)	–		(11 538)		(11 538)
Profit before tax	119 557	5 776	–	125 333	(410)	124 923
Income tax expense	(26 204)	(611)	–	(26 815)		(26 815)
<b>Profit for the year</b>	93 353	5 165	–	98 518	(410)	98 108
Other comprehensive loss						
Items that are or may be reclassified to profit or loss						
Foreign currency translation differences – foreign operations	6 713	5 850		12 563		12 563
Tax on other comprehensive income	–	–		–		–
Other comprehensive income for the year, net of tax	6 713	5 850	–	12 563	–	12 563
Total comprehensive income for the year	100 066	11 015	–	111 081	(410)	110 671

Before R'000	Year ended 31 March 2016 (1)	PFSI income and expenses (3)	InterCompany eliminations (4)	PFH and PFSI following acquisition	Transaction costs (6)	After transaction
<b>Profit attributable to:</b>						
Owners of the Company	88 234	5 165	-	93 399	(410)	92 989
Non-controlling interests	5 119			5 119		5 119
Profit for the year	93 353	5 165	-		(410)	98 108
<b>Total comprehensive income attributable to:</b>						
Owners of the Company – total comprehensive income	92 034	11 015	-	103 049	(410)	102 639
Non-controlling interests – total comprehensive income	8 032			8 032		8 032
Total comprehensive income for the year	100 066	11 015	-	111 081	(410)	110 671
Weighted average number of shares in issue	1 669 251 039					1 669 251 039
Earnings attributable to owners of the Company	88 234					92 989
<b>Earnings per share (cents)</b>						
Basic earnings per share	5.29					5.57
Diluted earnings per share	5.29					5.57

## STATEMENT OF COMPREHENSIVE INCOME NOTES AND ASSUMPTIONS:

1. The amounts set out in the "Before" column have been extracted from the audited annual financial statements of PFH as at and for the year-ended 31 March 2016.
2. The subscription for "B" ordinary shares of PFH by Stellar Capital and the subsequent dividend by PFH to Prescient Limited, as described in the Proposed Transaction, have no impact on the statement of comprehensive income. In particular, there is no requirement to recognise interest income on the cash received from the subscription as this cash is distributed as a dividend immediately following its receipt to Prescient.
3. PFSI income and expenses have been added to the income and expenses of PFH since PFSI will form part of the consolidated PFH Group following the Proposed Transaction. The PFSI income and expenses were extracted from the annual financial statements of PFSI for the year-ended 31 March 2016. These financial statements were audited by KPMG Ireland. The transactions have been included at an average Rand/Euro exchange rate of R15.0622/€1 for the year-ended 31 March 2016.
4. This column reflects the consolidation journal entries that eliminate intercompany transactions between PFH and PFSI due to the fact that they are now within a single consolidated entity.
5. The purchase of the net assets of PFSI for a nominal consideration of €1 results in a bargain purchase between two entities with common control. PFH has chosen to apply the Book Value method of accounting to this transaction and therefore the quantum of the amount by which the net assets exceeds the proceeds will not be reflected in the statement of comprehensive income but will reflect directly in the statement of changes of equity for an amount of R28.420 million.
6. Transaction costs of R410 000 have been recognized in relation to the Proposed Transaction. No provision for taxation has been made as these costs are incurred in respect of capital transactions.
7. No provision has been made for the Effective Date adjustments referred to in Paragraph 2.1.2 in Section B as these adjustments represent a future event, at the date of posting the circular, and the inclusion thereof would constitute a forecast of earnings.
8. The table below sets out the *pro forma* financial effects set out in notes 1 to 7 above:

	Before the Proposed Transaction	After the Proposed Transaction	% Change
Profit for the period (R'000)	93 353	98 108	5.09%
Headline earnings (R'000)	93 353	98 108	5.09%
Basic earnings per share (cents)	5.29	5.57	5.39%
Diluted basic earnings per share (cents)	5.29	5.57	5.39%
Headline earnings per share (cents)	5.29	5.57	5.39%
Diluted headline earnings per share (cents)	5.29	5.57	5.39%
Weighted average number of shares in issue ('000)	1 669 251	1 669 251	0.00%
Shares in issue at the end of the period ('000)	1 669 251	1 669 251	0.00%

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## REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF PFH

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The Directors  
Prescient Holdings Proprietary Ltd  
PO Box 31142  
Tokai  
7966

23 September 2016

### **Report on the Compilation of *Pro Forma* Financial Information of Prescient Holdings Proprietary Ltd and its Subsidiaries (“the Group”)**

The definitions commencing on page 9 of the Circular to which this letter is attached apply *mutatis mutandis* to this report.

We have completed our assurance engagement to report on the compilation of the *pro forma* earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of Prescient Holdings Proprietary Ltd and its subsidiaries (“the Group”), the *pro forma* statement of financial position of the Group, the *pro forma* statement of comprehensive income of the Group and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to the Group, (collectively “*Pro Forma* Financial Information”). The *Pro Forma* Financial Information is set out in the Salient Features, Paragraph 10 Section F and Annexure 10 of the circular.

The *Pro Forma* Financial Information has been compiled by the directors of Group to illustrate the impact of the transaction on the Group’s financial position as at 31 March 2016 and the Group financial performance for the year-ended 31 March 2016.

As part of this process, the Group’s earnings, diluted earnings, headline earnings and diluted headline earnings per share, statement of comprehensive income and statement of financial position have been extracted by the directors from the Group’s audited consolidated financial statements for the period ended 31 March 2016 (“Audited Financial Information”), in respect of which an unmodified audit opinion has been issued. In addition, the directors have calculated the net asset value and net tangible asset value per share as at 31 March 2016 based on financial information extracted from the Audited Financial Information.

### **Directors’ responsibility for the *Pro forma* Financial Information**

The directors of the Group are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria as detailed in Paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information, revised and issued in September 2014 (“Applicable Criteria”).

### **Reporting accountant’s independence and quality control**

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

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* 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 accountant's responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information of the Group has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Financial Information of the Group on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Audited Financial Information used in compiling the *Pro forma* Financial Information of the Group, 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 of Group.

The purpose of the *Pro forma* Financial Information of the Group included in the Circular is solely to illustrate the impact of the Transactions on the unadjusted Audited Financial Information as if the Transactions had been undertaken on 31 March 2016 for purposes of the *pro forma* earnings, diluted earnings and the *pro forma* statement of comprehensive income and on 31 March 2016 for purposes of the *pro forma* net asset value and net tangible asset value per share and *pro forma* statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Transactions, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Group.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Group has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Transactions and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Group reflects the proper application of those *pro forma* adjustments to the unadjusted Audited Financial Information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the Transactions in respect of which the *Pro forma* Financial Information of the Group has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Group.

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 of the Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully

**KPMG Inc.**

**Per GM Pickering**

Chartered Accountant (SA)

Registered Auditor

*Director*

MSC House

1 Mediterranean Street

Foreshore

Cape Town, 8001

South Africa

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**AUDITED HISTORICAL FINANCIAL INFORMATION OF PFH FOR THE YEAR ENDED 31 MARCH 2016, AND THE REVIEWED HISTORICAL FINANCIAL INFORMATION OF PFH FOR THE TWO YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2014**

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**Commentary**

Prescient Holdings Proprietary Limited and its subsidiaries ("the Group") achieved total income growth of 10% to R361.6 million (2015: R328.7 million), growth in profit from operations of 8% to R93.4 million (2015: R86.5 million) and declared a cash dividend per share of R7.40 for the year (2015: R1.90 per share).

The increase in total income was due to a growth in assets under management (AUM) of 13% from R65.5 billion to R74.4 billion and a growth in local third party assets under administration (AUA) of 39% from R48.6 billion to R67.6 billion.

Total income growth was tempered to a degree as a result of the decline in the Chinese market, reducing the levels of AUM on which those fees were earned in the prior year. This impacted management and performance fees earned, as well as fund services fees earned on those assets under administration. Furthermore, total income was impacted by reduced returns on financial assets, particularly the shareholder assets held in Prescient Life Limited. Prescient Securities also operated under difficult trading circumstances with reduced margins, resulting in a lower profit contribution than in the prior year.

Profit before tax increased by 6% to R119.6 million (2015: R112.6 million). Although profits were marginally up this was tempered by a combination of factors on the expense side. These included an increase in staff costs in order to accommodate for increased growth, particularly in assets under administration; increased technology costs, mainly as a function of the depreciation in the Rand against currencies in which the majority of technology costs are invoiced and once-off expenses incurred in investment management.

Basic earnings per share in 2016 was R9.98 per share (2015: R9.30 per share). Headline earnings per share were the same as basic earnings per share in the current and prior year.

The historical financial information set out in this Annexure 12 has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors are not aware of any matter or circumstance arising between the end of the financial year and the circular.

This historical financial information contained in this Annexure has been extracted from PFH's audited financial statements for the years ended 31 March 2014, 2015 and 2016. The accounting policies adopted for purposes of this report comply, and have been consistently applied in all material respects, with International Financial Reporting Standards and have been reported on by KPMG as detailed in Annexure 13 to this circular. The same accounting policies and methods of computation have been followed as compared to the prior year.

**Basis of preparation**

The statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and the related notes on the historical information for the years ended 31 March 2014, 2015 and 2016 have been extracted from the financial statements of PFH.

The financial statements for PFH for the years ended 31 March 2014, 2015 and 2016 have been audited. The financial statements were prepared in accordance with IFRS and in terms of the JSE Listings Requirements and were reported on without qualification by KPMG.

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year-ended 31 March 2016

	Notes	2016 R`000	2015 R`000	2014 R`000
Total income	2.1	<b>361 614</b>	328 749	276 623
Service fees		<b>335 232</b>	300 063	256 607
Interest and dividend income		<b>25 691</b>	19 784	13 517
Other investment income		<b>691</b>	8 902	6 499
Operating expenses	3.1	<b>(230 560)</b>	(208 487)	(168 584)
Share-based payment expense	4	<b>(1 412)</b>	(530)	–
<b>Profit from operations</b>		<b>129 642</b>	119 732	108 039
Other income	2.2	<b>696</b>	3 414	268
Share of profit/(loss) of equity-accounted investees (net of tax)	11	<b>757</b>	(501)	(609)
Finance costs	3.2	<b>(11 538)</b>	(10 058)	(8 093)
<b>Profit before tax</b>		<b>119 557</b>	112 587	99 605
<b>Income tax expense</b>	5	<b>(26 204)</b>	(26 039)	(28 720)
<b>Profit from continuing operations</b>		<b>93 353</b>	86 548	70 885
<b>Discontinued operation</b>				
Loss from discontinued operation, (net of tax)		–		(53 588)
<b>Profit for the year</b>		<b>93 353</b>	86 548	17 297
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit or loss</b>				
Foreign currency translation differences – foreign operations	19.2	<b>6 713</b>	2 031	(7 781)
Tax on other comprehensive income		–	–	–
<b>Other comprehensive income for the year, net of tax</b>		<b>6 713</b>	2 031	(7 781)
<b>Total comprehensive income for the year</b>		<b>100 066</b>	88 579	9 516
<b>Profit attributable to:</b>				
Owner of the Company		<b>88 234</b>	82 255	18 453
Non-controlling interests		<b>5 119</b>	4 293	(1 156)
<b>Profit for the year</b>		<b>93 353</b>	86 548	17 297
<b>Total comprehensive income attributable to:</b>				
Owner of the Company		<b>92 034</b>	84 286	10 672
Non-controlling interests		<b>8 032</b>	4 293	(1 156)
<b>Total comprehensive income for the year</b>		<b>100 066</b>	88 579	9 516
<b>Earnings per shares (Rand)</b>				
Basic earnings per share	6	<b>9.98</b>	9.30	2.09
Diluted earnings per share	6	<b>9.98</b>	9.30	2.09



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year-ended 31 March 2016

	Notes	2016 R`000	2015 R`000	2014 R`000
<b>Assets</b>				
<b>Non-current assets</b>				
		<b>11 294 055</b>	10 111 065	6 873 678
Property and equipment	7	<b>4 379</b>	3 028	3 143
Goodwill and intangible assets	8	<b>75 262</b>	68 645	68 845
Deferred tax asset	9	<b>8 912</b>	4 308	2 139
Long-term loans and other receivables	10	<b>113 900</b>	82 153	31 965
Investment in equity-accounted investees	11	<b>2 011</b>	1 243	1 400
Financial assets at fair value through profit or loss	12	<b>114 379</b>	131 560	76 378
Linked investments backing policyholder funds	13	<b>10 975 212</b>	9 820 128	6 689 808
<b>Current assets</b>				
		<b>850 201</b>	737 541	410 189
Trade and other receivables		<b>61 758</b>	97 055	78 453
Amounts owing by clearing houses	14	<b>192 777</b>	36 575	–
Amounts owing by clients	15	<b>429 186</b>	525 215	287 082
Taxation receivable		<b>170</b>	1 919	315
Cash and cash equivalents	16	<b>166 310</b>	76 777	44 339
<b>Total assets</b>				
		<b>12 144 256</b>	10 848 606	7 283 867
<b>Equity</b>				
Stated capital	19	<b>53 309</b>	53 309	53 309
Reserves		<b>5 906</b>	2 106	75
Retained income		<b>212 524</b>	195 671	130 238
<b>Total equity attributable to owner of the Company</b>				
		<b>271 739</b>	251 086	183 622
<b>Non-controlling interests</b>				
		<b>17 367</b>	3 387	(1 073)
<b>Total equity</b>				
		<b>289 106</b>	254 473	182 549
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
		<b>11 042 445</b>	9 884 940	6 727 020
Deferred tax liability	9	<b>2 722</b>	4 348	2 529
Policyholder investment contract liabilities	18	<b>10 974 329</b>	9 817 581	6 685 085
Loans payable	17	<b>65 394</b>	63 011	39 406
<b>Current liabilities</b>				
		<b>812 705</b>	709 193	374 298
Trade and other payables		<b>63 124</b>	63 849	29 199
Amounts owing to clearing houses	14	<b>16 134</b>	4 060	138 738
Amounts owing to clients	15	<b>604 668</b>	554 685	147 916
Current tax payable		<b>1 297</b>	3 719	4 076
Loans payable	17	<b>70 570</b>	65 022	52 406
Bank overdraft	16	<b>56 912</b>	17 858	1 963
<b>Total liabilities</b>				
		<b>11 855 150</b>	10 594 133	7 101 318
<b>Total equity and liabilities</b>				
		<b>12 144 256</b>	10 848 606	7 283 867

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year-ended 31 March 2016

R`000	Stated capital	Translation reserve	Retained income	Total equity attributable to owner of the Company	Non-controlling interests	Total equity
Balance at 1 April 2013	53 309	7 856	125 451	186 616	–	186 616
<b>Total comprehensive income for the year</b>						
Profit for the year	–	–	18 453	18 453	(1 156)	17 297
Total other comprehensive income	–	(7 781)	–	(7 781)	–	(7 781)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>(7 781)</b>	<b>18 453</b>	<b>10 672</b>	<b>(1 156)</b>	<b>9 516</b>
<b>Transactions with owner recognised directly in equity</b>						
<b>Contributions by and distributions to owner of the Company</b>						
Dividends declared during the year	–	–	(13 666)	(13 666)	–	(13 666)
<b>Total contributions by and distributions to owner of the Company</b>	<b>–</b>	<b>–</b>	<b>(13 666)</b>	<b>(13 666)</b>	<b>–</b>	<b>(13 666)</b>
<b>Changes in ownership interests in subsidiaries</b>						
Acquisition of subsidiary	–	–	–	–	83	83
<b>Total changes in ownership interests in subsidiaries</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>83</b>	<b>83</b>
<b>Total transactions with owner of the Company</b>						
Balance at 31 March 2014	53 309	75	130 238	183 622	(1 073)	182 549

R'000	Stated capital	Translation reserve	Retained income	Total equity attributable to owner of the Company	Non-controlling interests	Total equity
Balance at 1 April 2014	53 309	75	130 238	183 622	(1 073)	182 549
<b>Total comprehensive income for the year</b>	-	-	82 255	82 255	4 293	86 548
Profit for the year	-	-	82 255	82 255	4 293	86 548
<b>Total other comprehensive income</b>	-	<b>2 031</b>	-	2 031	-	2 031
<b>Total comprehensive income for the year</b>	-	<b>2 031</b>	<b>82 255</b>	<b>84 286</b>	<b>4 293</b>	<b>88 579</b>
<b>Transactions with owner recognised directly in equity</b>						
<b>Contributions by and distributions to owner of the Company</b>	-	-	(16 822)	(16 822)	-	(16 822)
<b>Dividends declared during the year</b>	-	-	(16 822)	(16 822)	-	(16 822)
<b>Total contributions by and distributions to owner of the Company</b>	-	-	<b>(16 822)</b>	<b>(16 822)</b>	-	<b>(16 822)</b>
<b>Changes in ownership interests in subsidiaries</b>						
<b>Acquisition of non-controlling interest</b>	-	-	-	-	167	167
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	167	167
<b>Total transactions with owner of the Company</b>	-	-	(16 822)	(16 822)	167	(16 655)
<b>Balance at 31 March 2015</b>	<b>53 309</b>	<b>2 106</b>	<b>195 671</b>	<b>251 086</b>	<b>3 387</b>	<b>254 473</b>

R`000	Stated capital	Translation reserve	Retained income	Total equity attributable to owner of the Company	Non-controlling interests	Total equity
Balance at 1 April 2015	53 309	2 106	195 671	251 086	3 387	254 473
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	88 234	88 234	5 119	93 353
Total other comprehensive income	-	3 800	-	3 800	2 913	6 713
<b>Total comprehensive income for the year</b>	-	3 800	88 234	92 034	8 032	100 066
<b>Transactions with owner recognised directly in equity</b>						
<b>Contributions by and distributions to owner of the Company</b>						
Dividends declared during the year	-	-	(65 433)	(65 433)	-	(65 433)
<b>Total contributions by and distributions to owner of the Company</b>	-	-	(65 433)	(65 433)	-	(65 433)
<b>Changes in ownership interests in subsidiaries</b>						
Acquisition of NCI without a change in control	-	-	(5 948)	(5 948)	5 948	-
<b>Total changes in ownership interests in subsidiaries</b>	-	-	(5 948)	(5 948)	5 948	-
<b>Total transactions with owner of the Company</b>	-	-	(71 381)	(71 381)	5 948	(65 433)
Balance at 31 March 2016	53 309	5 906	212 524	271 739	17 367	289 106

**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year-ended 31 March 2016

	Notes	2016 R'000	2015 R'000	2014 R'000
<b>Cash flows from operating activities</b>				
Profit for the year		93 353	86 548	17 297
Income tax expense		26 204	26 039	28 720
Non-cash movements and adjustments to profit before tax	20	(994 624)	(2 283 710)	(59 098)
Cash generated from policyholder activities		981 892	2 269 055	98 935
Contributions and investment income		3 495 961	3 845 889	1 794 917
Withdrawals by policyholders		(2 514 069)	(1 576 834)	(1 695 982)
Changes in working capital	21	36 456	13 411	(42 271)
Dividends received		2 946	2 804	111
Dividends paid		(65 433)	(16 822)	(13 666)
Interest received		12 433	16 980	13 406
Interest paid		(2 715)	(1 068)	(8 093)
Taxation paid	22	(33 107)	(28 350)	(25 204)
<b>Net cash inflow from operating activities</b>		<b>57 405</b>	<b>84 887</b>	<b>10 137</b>
<b>Cash flows from investing activities</b>				
Acquisition of equipment		(2 806)	(1 952)	(1 296)
Acquisition of intangible assets		(7 367)	–	(2 968)
Discontinued operation		–	–	(8 029)
Investment in equity-accounted investees		(11)	(344)	(811)
(Extension)/repayment of long-term loans receivable		(31 747)	(50 188)	1 575
Disposal/(acquisition) of financial assets at fair value through profit or loss		17 870	(51 766)	10 794
<b>Cash outflow from investing activities</b>		<b>(24 061)</b>	<b>(104 250)</b>	<b>(735)</b>
<b>Cash flows from financing activities</b>				
Acquisition of own shares		–	–	–
Increase/(decrease) in loans payable		7 931	36 211	(53 630)
<b>Cash inflow from financing activities</b>		<b>7 931</b>	<b>36 221</b>	<b>(53 630)</b>
<b>Net increase in cash and cash equivalents</b>		<b>41 275</b>	<b>16 858</b>	<b>(44 228)</b>
Effect of exchange rate fluctuations on cash held		9 204	(315)	6 869
Cash and cash equivalents at beginning of the year		58 919	42 376	79 735
<b>Cash and cash equivalents at end of the year</b>	18	<b>109 398</b>	<b>58 919</b>	<b>42 376</b>

## Notes to the financial statements

### 1.1 Reporting entity

Prescient Holdings Proprietary Limited is incorporated in South Africa. These financial statements contain the consolidated financial statements of Prescient Holdings Proprietary Limited. The consolidated financial statements of the Group as at and for the year-ended 31 March 2016 comprise Prescient Holdings Proprietary Limited ("the Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

### 1.2 Basis of preparation

#### 1.2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared for inclusion in the Prescient Limited circular to shareholders.

#### 1.2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise indicated.

#### 1.2.3 Functional and presentation currency

These consolidated financial statements are presented in South African Rand, which is the Company's functional currency. All financial information presented in Rand has been rounded to the nearest thousand, except where otherwise indicated.

#### 1.2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Group's business that typically require such estimates and judgements is the determination of the fair value for financial assets and liabilities, impairment of trade receivables and loan receivables, impairment testing of non-financial assets and goodwill, revenue recognition, judgements relating to business combinations and share-based payments. For estimates and judgements on business combinations, share-based payments and revenue recognition, refer to notes 1.3.1.1, 1.3.7.3 and 1.3.8 respectively.

##### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values of both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the executive team.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique (see note 12.1).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of financial assets and liabilities are classified and accounted for in accordance with policies set out in note 1.3.3 below. They are valued on the basis of listed market prices insofar as this is possible. If prices are not readily determinable, fair value is based either on internal valuation models or management estimates of amounts that could be realised under current market conditions. Fair values of certain financial instruments are determined using pricing models that consider, among other factors, contractual and market prices, correlations, yield curves, credit spreads and volatility factors.

#### *Impairment of financial assets*

For the impairment of trade receivables and loan receivables refer to note 1.3.6.1.

#### **Impairment testing of non-financial assets and goodwill**

Refer to note 1.3.6.3 and 8.1 for impairment testing of non-financial assets and goodwill.

### **1.3 Significant accounting policies**

**The accounting policies set out below have been applied consistently to all periods.**

#### **1.3.1 Basis of consolidation**

##### **1.3.1.1 Business combinations**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see 1.3.1.3). The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

##### **1.3.1.2 Non-controlling interests**

For each business combination, the Group elects to measure any non-controlling interests ("NCI") in the acquiree at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and recognised in equity. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary acquired or disposed of. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

If the group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-attributed to NCI. When the group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

##### **1.3.1.3 Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date that control ceases.

##### **1.3.1.4 Interests in equity-accounted investees**

The Group's interest in equity-accounted investees comprise interest in associates.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method (equity-accounted investees) in the consolidated financial statements and are recognised initially at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss, other comprehensive income ("OCI") and equity movements of equity accounted investees, after adjustment to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or has made payments on behalf of the investee.

#### 1.3.1.5 **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### 1.3.2 **1.3.2 Foreign currency**

#### 1.3.2.1 **Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Rand at foreign exchange rates at the dates the fair value was determined.

#### 1.3.2.2 **Financial statement of foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rand at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at rates approximating foreign exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in the translation reserve in other comprehensive income and accumulated in equity.

When a foreign operation is disposed of in its entirety, or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

### 1.3.3 **Financial instruments**

#### 1.3.3.1 **Non-derivative financial assets and liabilities**

The Group initially recognises loans and receivables on the date that they originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or if it transfers the rights to receive the contractual



cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

#### *Financial assets and liabilities at fair value through profit or loss*

Financial instruments classified as held for trading or designated as at fair value through profit or loss are initially recognised at fair value excluding transaction costs directly attributable to their acquisition which are recognised immediately in profit or loss. After initial recognition, financial assets at fair value through profit or loss are measured at fair value with resulting fair value gains or losses recognised in profit or loss. Financial instruments designated as at fair value through profit or loss are designated as such on initial recognition of the instrument and remain in the classification until derecognition.

Financial instruments measured at fair value include linked investments backing policyholder funds and policyholder investment contract liabilities. All investment contract liabilities issued by the Group are designated on initial recognition at fair value through profit or loss. This designation significantly reduces a measurement inconsistency that would otherwise arise if these financial liabilities were not measured at fair value since the assets held to back the investment contract liabilities are also measured at fair value. Investments backing policyholder funds are held for trading or are designated at fair value through profit of loss since the financial assets are managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

The fair value is determined based on the fair value of the associated linked investments backing policyholder funds and is net of the taxation payable on investment gains. Changes in the fair value of these financial instruments are recognised in profit or loss in the period in which they arise. Contributions received from policyholders and benefit payments made to policyholders are not recognised in profit or loss but are accounted for as deposits. The taxation payable is separately disclosed as part of taxation of the Group profit or loss.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables, long-term loans and other receivables, amounts owing by clearing houses and amounts owing by clients.

#### *Investment policy in respect of seed capital*

A subsidiary within the Group is required to provide seed capital of R1 million per collective investment scheme that it administers, until such time as the scheme's assets from third party investors exceed R50 million, at which point the seed capital may be disinvested. A scheme is only launched if it promises to be viable in the short-term, in which case it can be expected that third party investments into a new scheme would exceed R50 million in a period significantly shorter than 12 months. The Group's philosophy in respect of seed capital is to manage these investments (the participatory interest in the scheme) in order to realise the

assets, as soon as possible after the seeding requirement is extinguished, at a market value in excess of the initial amount. The seed capital is designated as measured at fair value through profit or loss as the instruments are managed on a fair value basis.

#### *Fair value measurement considerations*

The fair values of quoted financial assets are based on quoted prices. If the market for a financial asset is not active, the Group establishes fair value using valuation techniques that refer as far as possible to observable market data. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

To the extent that the fair values of unlisted equity instruments cannot be measured reliably, such instruments are carried at cost less impairments.

#### *Other non-derivative financial liabilities*

The Group initially recognises debt securities issued and liabilities on the date that they originate. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Except for policyholder investment contract liabilities, the Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans payable, trade and other payables, amounts owing to clearing houses, amounts owing to clients and bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

### **1.3.3.2 Share capital**

#### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### *Dividends*

Dividends on ordinary shares are recognised as a deduction from equity in the period in which they are declared to the shareholders.

### **1.3.4 Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gain or loss on disposal of an item of equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### **1.3.4.1 Subsequent costs**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

#### 1.3.4.2 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The residual values, useful lives and depreciation of items of property and equipment are reviewed at each reporting date and any changes thereto are accounted for as a change in accounting estimate with any adjustments reflected in profit or loss.

The estimated useful lives of items of property and equipment remain unchanged from the previous period and are as follows:

Computer software	2 years
Computer equipment	3 years
Furniture and fittings	10 years
Leasehold improvements	5 years
Office equipment	5 years

#### 1.3.5 Intangible assets and goodwill

##### 1.3.5.1 Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. Refer to note 8.

##### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

##### 1.3.5.2 Systems development costs

Capitalised development expenditure is carried at cost less accumulated amortisation and any accumulated impairment losses.

*Expenditure on research activities is recognised in profit or loss as incurred.*

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative period are as follows:

Patents and trademarks	10 years
System development costs	3 years

The gain or loss arising from derecognition of an intangible asset is determined as the difference between the proceeds and the carrying amount. This difference is recognised in profit or loss.

### 1.3.5.3 **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

## 1.3.6 **1.3.6 Impairment**

### 1.3.6.1 **Impairment of financial assets**

A financial asset not classified as at fair value through profit or loss, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

#### *Financial assets measured at amortised cost*

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and directly credited against the carrying amount of the financial asset.

### 1.3.6.2 **Impairment of equity accounted investees**

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

### 1.3.6.3 **Impairment of non-financial assets**

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any

goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The carrying amounts of the Group's non-financial assets, excluding investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

### 1.3.7 **Employee benefits**

#### 1.3.7.1 **Short-term employee benefits**

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. The accrual for employee entitlements to remuneration and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided by the reporting date. These accruals have been calculated at undiscounted amounts based on current salary rates.

#### 1.3.7.2 **Defined contribution plans**

Certain of the Group's subsidiaries contribute to a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate legal entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to these funds are recognised in profit or loss in the period during which services are rendered by employees.

#### 1.3.7.3 **Share-based payment transactions**

The Company's holding Company (Prescient Limited) has an equity-settled share-based payment scheme in respect of services received from employees within the Group. The fair value of the services received in respect of the equity-settled share-based payment scheme is determined by reference to the fair value of the equity instruments awarded to employees on the grant date. The cost of the share-based payment is recognised as an expense, with a corresponding increase in equity of the parent, over the vesting period of the grant. The amount recognised as an expense is adjusted to reflect the actual number of instruments that are expected to vest. Non-forfeitable dividends to which the employees are entitled to are expensed as an employee benefit.

The increase in equity arising on the recognition of the share-based payment expense is initially recorded in a share-based payments reserve. Subsequently, as a result of a recharge agreement entered into with Prescient Limited that requires the Company to pay the value of the share-based awards upon settlement of the awards by Prescient Limited, the share-based payments reserve is reversed and a liability is recognised.

The grant date fair value is measured as the value of an option on the Prescient share utilising the following inputs: the share price at grant date; the share price volatility; the time to exercise/vesting; the dividend yield; the risk free rate of interest and the exercise price.

### 1.3.8 Revenue

Revenue comprises of services fees (consisting of fees for investment management, fund services fees, wealth management fees, brokerage and rental income), interest income and dividend income (which includes income from collective investment schemes).

Investment management services fees comprise of management fees and performance fees. Management fee income, fund services fee income and wealth management fee income are recognised as the service is rendered. Performance fee income is recognised when the Group becomes unconditionally entitled to income and no contingency with respect to future performance exists.

Brokerage income is recognised on the day that the purchase or sale of financial instruments is concluded, regardless of when settlement takes place.

Interest income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised as income when the Group's right to receive payments is established.

Income from collective investment schemes comprises income received from and accrued on investments in collective investment schemes for which the declaration date falls within the accounting period.

Income is measured at the fair value of the consideration received or receivable, net of value added tax and rebates.

### 1.3.9 Other investment income

Other investment income comprises of net fair value gains on financial assets.

### 1.3.10 Operating lease expenses

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

### 1.3.11 Finance costs

Finance costs comprise interest expense on interest-bearing borrowings and bank overdrafts.

### 1.3.12 Income tax expense

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case income tax is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the estimated taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

#### **1.3.13 Managed funds and trust activities**

Certain companies within the Group operate collective investment schemes and hold-and-invest funds on behalf of clients. Assets and liabilities representing such activities are not reflected in the statement of financial position, as these relate directly to clients. Income from these activities is brought to account over the period to which the service relates.

#### **1.3.14 Earnings and headline earnings per share**

The Group presents basic, diluted and headline earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive instruments.

Headline and diluted headline earnings per share is calculated in accordance with Circular 2/2015 issued by the South African Institute of Chartered Accountants.

### **1.4 New standards and amendments**

#### **Standards and interpretations that have been adopted in the Group's 2016 financial statements**

No new standards, amendments to standards and interpretation have been applied in preparing these consolidated financial statements.

#### **Future amendments not early adopted in the 2016 financial statements**

##### ***Amendments to IAS1: Disclosure Initiative***

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to the order of notes, OCI of equity-accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and other comprehensive income.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted. The Group has not yet made an assessment of the potential impact on the financial statements.

##### ***Amendments to IAS 7: Disclosure Initiative***

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early adoption is permitted. The Group has not yet made an assessment of the potential impact on the financial statements.

### ***Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses***

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses that are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted. The impact on the financial statements has not yet been estimated.

### ***IFRS 15 Revenue from Contracts with Customers***

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have an impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Group is still in the process of assessing the impact of this standard on the financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

### ***IFRS 9 Financial Instruments***

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have an impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 1 January 2018. Early adoption is permitted retrospectively. The impact on the financial statements has not yet been estimated.

### ***IFRS 16 Leases***

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Group is assessing the potential impact on the financial statements resulting from the application of IFRS 16.



	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>2.1 Total income</b>			
<b>Service fees</b>	<b>335 232</b>	300 063	256 607
Fees for financial services	<b>335 232</b>	300 063	256 607
<b>Interest and dividend income</b>	<b>25 691</b>	19 784	13 517
Dividend income from financial assets at fair value through profit or loss	<b>2 946</b>	2 804	111
Interest income	<b>22 745</b>	16 980	13 406
<b>Other investment income</b>	<b>691</b>	8 902	6 499
Net fair value gains on financial assets at fair value through profit or loss	<b>691</b>	8 902	6 499
<b>Net fair value gains on linked investments backing policyholder funds and liabilities</b>	<b>–</b>	–	–
Dividend income from linked investments backing policyholder funds	<b>130 745</b>	115 371	90 609
Interest income from linked investments backing policyholder funds	<b>236 861</b>	135 291	150 724
Increase in policyholder investment contract liabilities	<b>(542 462)</b>	(1 114 103)	(838 011)
Net fair value movements on linked investments backing policyholder funds	<b>174 856</b>	863 441	596 678
	<b>361 614</b>	328 749	276 623
<b>2.1 Other income</b>			
Sundry income	<b>696</b>	3 414	268
<b>3.1 Operating expenses</b>			
Included in operating expenses are the following:			
Administrative expenses*	<b>86 481</b>	76 851	67 188
Auditor's remuneration	<b>3 140</b>	2 511	1 749
Depreciation and amortisation	<b>2 205</b>	2 267	3 329
Employee benefits	<b>128 825</b>	118 900	89 370
Regulatory levies	<b>3 272</b>	3 118	2 796
Operating lease charges	<b>6 637</b>	4 840	4 152
	<b>230 560</b>	208 487	168 584
Employee benefits	<b>128 825</b>	118 900	89 370
Salaries and bonuses	<b>120 240</b>	109 604	79 325
Provident fund contributions	<b>8 585</b>	9 296	10 045
	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>3.2 Finance costs</b>			
Finance costs on bank overdraft	<b>2 960</b>	246	–
Finance costs on interest-bearing borrowings	<b>8 578</b>	9 812	8 093
	<b>11 538</b>	10 058	8 093

\* An amount of R3.8m relating to the prior year loss from discontinued operations, which was previously disclosed separately on the face of the income statements, is included in 2015 administrative expenses.

#### 4. SHARE-BASED PAYMENT

During the current year the parent of Prescient Holdings Proprietary Limited, Prescient Limited, issued shares to employees of Group subsidiary companies, in terms of the Forfeitable Share Plan (FSP). A total of 14 406 000 (2015: 13 016 000; 2014: Nil) shares were issued to Group employees at an issue price of 100 cents per share (2015: 90 cents per share) which was the volume weighted average share price as at grant date. The shares are treated as equity-settled instruments, have a vesting service period of five years and are subject to several performance conditions. When tranches are granted the exercise price may contain a notional loan. The notional loan carries notional interest at a pre-determined rate. The notional loan may vary from 0% to 100% depending on the conditions contained in the award letter to an employee.

The relevant inputs to the Black-Scholes calculation of the fair value at grant date are as follows:

	2016	2015	2014
Share price at grant date	<b>100 cents</b>	90 cents	n/a
Fair value at grant date	<b>42 cents</b>	29 cents	n/a
Exercise price	<b>R1.39</b>	R1.23	n/a
Expected volatility	<b>42%</b>	38%	n/a
Expected life	<b>5</b>	5	n/a
Expected dividend yield for calculation purposes	<b>0%*</b>	0%*	n/a
Risk-free interest rate	<b>9.00%</b>	5.75%	n/a

\* For the forfeitable share plan the expected dividend yield, as an input, is assumed as zero as all participants have a non-forfeitable right to future dividends.

The interest-bearing notional loan attached to the FSP has been incorporated in the fair value at grant date by adjusting the exercise price. The expected volatility was based on historic volatility.

The total fair value of shares granted during the current year was R7.4 million (2015: R3.9 million; 2014: Nil) and the amount expensed in the current year was R1 412 268 (2015: R530 728; 2014: Nil).

	2016 R'000	2015 R'000	2014 R'000
<b>5. INCOME TAX EXPENSE</b>			
<b>Tax recognised in profit or loss</b>			
<b>Current tax expense</b>			
Current year	<b>32 434</b>	26 389	29 936
	<b>32 434</b>	26 389	29 936
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences	<b>(6 230)</b>	( 350)	(1 216)
	<b>(6 230)</b>	( 350)	(1 216)
<b>Income tax expense</b>	<b>26 204</b>	26 039	28 720
<b>Reconciliation of effective tax rate</b>			
Profit before tax	<b>119 557</b>	112 587	99 605
Income tax expense	<b>26 204</b>	26 039	28 720
	<b>%</b>	%	%
Current year charge as a percentage of profit before taxation	<b>22</b>	23	29
Income tax at lower rate	<b>6</b>	5	(1)
Standard rate of tax	<b>28</b>	28	28

## 6. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share at 31 March 2016 was based on the profit attributable to ordinary shareholder of R88.2 million (2015: R82.3 million; 2014: R18.5 million), and a weighted average number of ordinary shares outstanding of 8 840 571 (2015 and 2014: 8 840 571), calculated as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Profit attributable to ordinary shareholder (basic)</b>			
Profit for the year, attributable to owner of the Company	<b>88 234</b>	82 255	18 453
<b>Profit attributable to ordinary shareholder</b>	<b>88 234</b>	82 255	18 453
<b>Weighted average number of ordinary shares (basic)</b>			
In thousands of shares			
Ordinary shares at 1 April	<b>8 841</b>	8 841	8 841
<b>Weighted average number of ordinary shares at 31 March</b>	<b>8 841</b>	8 841	8 841

### Headline earnings per share

Headline earnings per share for 2016 has been calculated in accordance with Circular 2/2015 issued by the South African Institute of Chartered Accountants. Headline earnings per share for 2015 and 2014 has been calculated in accordance with Circular 2/2013 issued by the South African Institute of Chartered Accountants.

Diluted earnings per share is equal to basic earnings per share. Diluted headline earnings per share is equal to headline earnings per share.

R'000 2016	Profit/(loss) before tax	Tax	Earnings attributable to non- controlling interests	Earnings attributable to ordinary shareholder	Cents per share
Per the statement of comprehensive income	119 557	(26 204)	(5 119)	88 234	998
<b>Total Group headline earnings</b>	<b>119 557</b>	<b>(26 204)</b>	<b>(5 119)</b>	<b>88 234</b>	<b>998</b>
2015					
<b>Continuing operations</b>					
Per the statement of comprehensive income	116 466	(26 039)	(4 293)	86 134	974
<b>Continuing operations headline earnings</b>	<b>116 466</b>	<b>(26 039)</b>	<b>(4 293)</b>	<b>86 134</b>	<b>974</b>
<b>Discontinued operations</b>					
Per the statement of comprehensive income	(3 879)	–	–	(3 879)	(44)
<b>Discontinued operations headline earnings</b>	<b>(3 879)</b>	<b>–</b>	<b>–</b>	<b>(3 879)</b>	<b>(44)</b>
<b>Total per the statement of comprehensive income</b>	<b>112 587</b>	<b>(26 039)</b>	<b>(4 293)</b>	<b>82 255</b>	<b>930</b>
<b>Total group headline earnings</b>	<b>112 587</b>	<b>(26 039)</b>	<b>(4 293)</b>	<b>82 255</b>	<b>930</b>
2014					
<b>Continuing operations</b>					
Per the statement of comprehensive income	99 605	(28 720)	1 156	72 041	815
<b>Continuing operations headline earnings</b>	<b>99 605</b>	<b>(28 720)</b>	<b>1 156</b>	<b>72 041</b>	<b>815</b>
<b>Discontinued operations</b>					
Per the statement of comprehensive income	(53 538)	(50)	–	(53 588)	(606)
Adjustments					
Loss on sale of discontinued operation	10 967	–	–	10 967	124
Goodwill impairment	31 143	–	–	31 143	352
<b>Discontinued operations headline earnings</b>	<b>(11 428)</b>	<b>(50)</b>	<b>–</b>	<b>(11 478)</b>	<b>(130)</b>
Total per the statement of comprehensive income	46 067	(28 770)	1 156	18 453	209
<b>Total group headline earnings</b>	<b>88 177</b>	<b>(28 770)</b>	<b>1 156</b>	<b>60 563</b>	<b>685</b>
<b>Dividends per share</b>			<b>2016</b>	<b>2015</b>	<b>2014</b>
			<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Dividends per share			7.40	1.90	1.55

7. **PROPERTY AND EQUIPMENT**  
**Reconciliation of carrying amount**

<b>R'000</b>	<b>Computer software</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Furniture and fittings</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>Balance at 1 April 2013</b>	7 837	6 432	1 187	2 731	6 051	24 238
Additions	193	548	99	318	138	1 296
Disposals of discontinued operations	–	(2 149)	(25)	(940)	(3 428)	(6 542)
Effect of movements in exchange rates	–	391	4	124	624	1 143
<b>Balance at 31 March 2014</b>	<b>8 030</b>	<b>5 222</b>	<b>1 265</b>	<b>2 233</b>	<b>3 385</b>	<b>20 135</b>
<b>Balance at 1 April 2014</b>	8 030	5 222	1 265	2 233	3 385	20 135
Additions	133	1 280	148	274	117	1 952
<b>Balance at 31 March 2015</b>	<b>8 163</b>	<b>6 502</b>	<b>1 413</b>	<b>2 507</b>	<b>3 502</b>	<b>22 087</b>
<b>Balance at 1 April 2015</b>	8 163	6 502	1 413	2 507	3 502	22 087
Additions	395	1 865	222	324	–	2 806
<b>Balance at 31 March 2016</b>	<b>8 558</b>	<b>8 367</b>	<b>1 635</b>	<b>2 831</b>	<b>3 502</b>	<b>24 893</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 April 2013</b>	<b>7 015</b>	<b>4 378</b>	<b>1 029</b>	<b>547</b>	<b>2 204</b>	<b>15 173</b>
Depreciation for the year	884	539	81	498	480	2 482
Disposals	–	(680)	(25)	127	(117)	(695)
Effect of movements in exchange rates	–	86	4	(79)	21	32
<b>Balance at 31 March 2014</b>	<b>7 899</b>	<b>4 323</b>	<b>1 089</b>	<b>1 093</b>	<b>2 588</b>	<b>16 992</b>
<b>Balance at 1 April 2014</b>	7 899	4 323	1 089	1 093	2 588	16 992
Depreciation for the year	149	896	68	165	789	2 067
<b>Balance at 31 March 2015</b>	<b>8 048</b>	<b>5 219</b>	<b>1 157</b>	<b>1 258</b>	<b>3 377</b>	<b>19 059</b>
<b>Balance at 1 April 2015</b>	8 048	5 219	1 157	1 258	3 377	19 059
Depreciation for the year	128	978	103	182	64	1 455
<b>Balance at 31 March 2016</b>	<b>8 176</b>	<b>6 197</b>	<b>1 260</b>	<b>1 440</b>	<b>3 441</b>	<b>20 514</b>
<b>Carrying amounts</b>						
At 31 March 2014	131	899	176	1 140	797	3 143
At 31 March 2015	115	1 283	256	1 249	125	3 028
<b>At 31 March 2016</b>	<b>382</b>	<b>2 170</b>	<b>375</b>	<b>1 391</b>	<b>61</b>	<b>4 379</b>

## 8. GOODWILL AND INTANGIBLE ASSETS

R'000 Cost	Goodwill	Patents and trademarks	Internally developed software	System develop- ment costs	Total
Opening balance – 1 April 2013	114 401	2 024	1 918	–	118 343
Additions	–	–	2 968	–	2 968
Disposal of discontinued operation	(15 933)	–	(4 886)	–	(20 819)
Closing balance – 31 March 2014	98 468	2 024	–	–	100 492
Opening balance – 1 April 2014	98 468	2 024	–	–	100 492
Additions	–	–	–	–	–
Disposal	–	–	–	–	–
Closing balance – 31 March 2015	98 468	2 024	–	–	100 492
Opening balance – 1 April 2015	98 468	2 024	–	–	100 492
Additions	–	–	–	7 367	7 367
Disposal	–	–	–	–	–
Closing balance – 31 March 2016	<b>98 468</b>	<b>2 024</b>	<b>–</b>	<b>7 367</b>	<b>107 859</b>
<b>Accumulated amortisation</b>					
Opening balance – 1 April 2013	–	304	583	–	887
Impairment	31 143	–	–	–	31 143
Amortisation for the year	–	200	647	–	847
Disposal of discontinued operation	–	–	(1 230)	–	(1 230)
Closing balance – 31 March 2014	31 143	504	–	–	31 647
Opening balance – 1 April 2014	31 143	504	–	–	31 647
Amortisation for the year	–	200	–	–	200
Closing balance – 31 March 2015	31 143	704	–	–	31 847
Opening balance – 1 April 2015	31 143	704	–	–	31 847
Amortisation for the year	–	200	–	550	750
Closing balance – 31 March 2016	<b>31 143</b>	<b>904</b>	<b>–</b>	<b>550</b>	<b>32 597</b>
<b>Carrying amounts</b>					
At 31 March 2014	67 325	1 520	–	–	68 845
At 31 March 2015	67 325	1 320	–	–	68 645
<b>At 31 March 2016</b>	<b>67 325</b>	<b>1 120</b>	<b>–</b>	<b>6 817</b>	<b>75 262</b>

## 8.1 Impairment test of goodwill

Impairments tests were performed on the goodwill allocated to the cash-generating unit (CGU).

For purposes of impairment testing the goodwill, as at 31 March 2016, has been allocated to the Group's CGU as follows:

	<b>2016</b> <b>R'000</b>	<b>2015</b> <b>R'000</b>	<b>2014</b> <b>R'000</b>
Financial services	<b>67 325</b>	67 325	67 325
<b>Total</b>	<b>67 325</b>	67 325	67 325

### **Financial services**

The recoverable amount of this CGU was based on value-in-use, determined by discounting future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Discount rate	<b>14%</b>	14%	14%
Terminal value growth rate	<b>7%</b>	6%	8%
Budgeted EBITDA growth rate	<b>12%</b>	8%	16%

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

The estimated recoverable amount of the Prescient Securities Proprietary Ltd as a CGU exceeded its carrying amount by approximately R58 million (2015: R136.0 million; 2014: R225.2 million). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Discount rate	<b>5%</b>	12%	25%
Terminal value growth rate	<b>(2%)</b>	(5%)	(4%)

9. **DEFERRED TAX**

	Asset			Liabilities			Net		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
<b>R'000</b>									
Income received in advance	56	66	84	-	-	-	56	66	84
Trade and other payables	3 122	655	1 042	-	-	-	3 122	655	1 042
Trade and other receivables	-	2 986	(209)	(18)	(159)	-	(18)	2 827	(209)
Calculated and assessed loss	5 677	568	1 200	-	(137)	(57)	5 677	431	1 143
Capital losses	-	-	38	-	-	-	-	-	38
Financial assets at fair value through profit or loss	9	-	(16)	(2 147)	(4 052)	(2 472)	(2 138)	(4 052)	(2 488)
Accrued income	-	-	-	(557)	-	-	(557)	-	-
Other	48	33	-	-	-	-	48	33	-
<b>Net deferred tax assets/(liabilities)</b>	<b>8 912</b>	<b>4 308</b>	<b>2 139</b>	<b>(2 722)</b>	<b>(4 348)</b>	<b>(2 529)</b>	<b>6 190</b>	<b>(40)</b>	<b>(390)</b>

2014	R'000	Movement in deferred tax balance during the year	Recognised		Acquired		Balance at 31 March 2014
			Balance at 31 March 2013	in profit or loss	in business combinations	Sale of subsidiary	
		Income received in advance	73	11	-	-	84
		Trade and other payables	271	771	-	-	1 042
		Trade and other receivables	-	(209)	-	-	(209)
		Calculated and assessed loss	43	1 100	-	-	1 143
		Capital losses	-	38	-	-	38
		Financial assets at fair value through profit or loss	(1 953)	(535)	-	-	(2 488)
		Equipment	268	40	-	-	-
		Other	-	-	-	(308)	-
			(1 298)	1 216	-	(308)	(390)



	Balance at 31 March 2014	Recog- nised in profit or loss	Other	Acquired in business combin- ations subsidiary	Balance at 31 March 2015
<b>R'000 2015</b>					
Movement in deferred tax balance during the year					
Income received in advance	84	(18)	-	-	66
Trade and other payables	1 042	(387)	-	-	655
Trade and other receivables	(209)	3 036	-	-	2 827
Calculated and assessed loss	1 143	(712)	-	-	431
Capital losses	38	(38)	-	-	-
Financial assets at fair value through profit or loss	(2 488)	(1 564)	-	-	(4 052)
Other	-	33	-	-	33
	(390)	350	-	-	(40)

	Balance at 31 March 2015	Recog- nised in profit or loss	Other	Acquired in business combin- ations Subsidiary	Balance at 31 March 2016
<b>R'000 2016</b>					
Movement in deferred tax balance during the year					
Income received in advance	66	(10)	-	-	56
Trade and other payables	655	2 467	-	-	3 122
Trade and other receivables	2 827	(2 845)	-	-	(18)
Calculated and assessed loss	431	5 246	-	-	5 677
Capital losses	-	-	-	-	-
Financial assets at fair value through profit or loss	(4 052)	1 914	-	-	(2 138)
Accrued income	-	(557)	-	-	(557)
Other	33	15	-	-	48
	(40)	6 230	-	-	6 190

	<b>2016</b> <b>R'000</b>	<b>2015</b> <b>R'000</b>	<b>2014</b> <b>R'000</b>
<b>10. LONG-TERM LOANS AND OTHER RECEIVABLES</b>			
<b>Loans to staff</b>	<b>24 577</b>	24 465	28 947
Employees of the Prescient Group received funding to purchase shares in Prescient Holdings Proprietary Limited which were later converted to Prescient Limited shares. The loans attract interest at three-month JIBAR plus 3.15% plus a 0.2% transaction fee. These loans are not repayable within 12 months. The loans are secured against shares held by the employees in Prescient Limited.			
<b>Loan to equity-accounted investee</b>	<b>4 266</b>	2 370	1 161
These loans are interest free and have no fixed repayment terms. The loans are not repayable within 12 months.			
<b>Loan to Fisc Investment Management Proprietary Ltd</b>	<b>24 965</b>	24 689	–
This loan bears interest equal to the SARS official rate and is payable within five years. No capital repayments are expected within the next 12 months. The loan is secured against shares held in Prescient Limited.			
<b>Loan to PBT Technology Services Proprietary Ltd</b>	<b>60 092</b>	30 175	–
This loan is interest free and is repayable within 12 months.			
<b>Other loan receivables</b>	<b>–</b>	454	1 857
	<b>113 900</b>	82 153	31 965
<b>11. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES</b>			
Investment in equity-accounted investees	<b>2 011</b>	1 243	1 400
<b>Balance at 31 March</b>	<b>2 011</b>	1 243	1 400
The Group regards all of its investments in equity-accounted investees as individually immaterial. The following table analyses, in aggregate, the carrying amount and share of profit of these equity-accounted investees:			
Carrying amount	<b>2 011</b>	1 243	1 400
Profit/(loss) from equity accounted investees	<b>757</b>	( 501)	(609)
<b>12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Unit dealing stock	<b>1 316</b>	2 302	2 961
Seed capital	<b>11 900</b>	5 982	900
Deposits at financial institutions	<b>7 536</b>	3 997	2 226
Equities	<b>52 056</b>	56 325	19 757
Collective investment schemes	<b>3 498</b>	41 129	32 798
Bonds and unlisted debt	<b>33 556</b>	20 986	16 408
SAFEX margins	<b>4 517</b>	839	522
Other	<b>–</b>	–	806
	<b>114 379</b>	131 560	76 378

## 12.1 Fair value hierarchy

R'000	Level 1	Level 2	Level 3	Total
<b>2016</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	76 306	38 073	–	114 379
Linked investments backing policyholder contract funds	10 244 977	730 235	–	10 975 212
<b>Total financial assets measured at fair value</b>	<b>10 321 283</b>	<b>768 308</b>	<b>–</b>	<b>11 089 591</b>
<b>Financial liabilities</b>				
Policyholder investment contract liabilities	–	10 974 329	–	10 974 329
<b>Total financial liabilities measured at fair value</b>	<b>–</b>	<b>10 974 329</b>	<b>–</b>	<b>10 974 329</b>
<b>2015</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	109 735	21 825	–	131 560
Linked investments backing policyholder contract funds	9 294 129	525 999	–	9 820 128
<b>Total financial assets measured at fair value</b>	<b>9 403 864</b>	<b>547 824</b>	<b>–</b>	<b>9 951 688</b>
<b>Financial liabilities</b>				
Policyholder investment contract liabilities	–	9 817 581	–	9 817 581
<b>Total financial liabilities measured at fair value</b>	<b>–</b>	<b>9 817 581</b>	<b>–</b>	<b>9 817 581</b>
<b>2014</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	59 164	17 214	–	76 378
Linked investments backing policyholder contract funds	6 198 907	490 901	–	6 689 808
<b>Total financial assets measured at fair value</b>	<b>6 258 071</b>	<b>508 115</b>	<b>–</b>	<b>6 766 186</b>
<b>Financial liabilities</b>				
Policyholder investment contract liabilities	–	6 685 085	–	6 685 085
<b>Total financial liabilities measured at fair value</b>	<b>–</b>	<b>6 685 085</b>	<b>–</b>	<b>6 685 085</b>

Fair values are determined according to the following hierarchy based on the requirements in IFRS 13 Fair Value Measurement

Level 1: Unadjusted quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: Valuation techniques using observable inputs: quoted prices (other than those included in level 1) for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are less than active and financial assets and liabilities valued using models where all significant inputs are observable directly or indirectly from market data.

Level 3: Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more inputs are unobservable and have a significant effect on the instrument's valuation.

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

## 12.2 Categories of financial assets and liabilities

The carrying amounts and fair values of each category of financial assets and liabilities are as follows:

R'000	Notes	Designated at fair value through profit or loss	Loans and receiv- ables	Financial liabilities at amortised cost	Carrying amount	Fair value
<b>2016</b>						
Long-term loans receivable	<b>10</b>	–	<b>113 900</b>	–	<b>113 900</b>	<b>113 900</b>
Financial assets at fair value through profit or loss	<b>12</b>	<b>114 379</b>	–	–	<b>114 379</b>	<b>114 379</b>
Linked investments backing policyholder funds	<b>13</b>	<b>10 975 212</b>	–	–	<b>10 975 212</b>	<b>10 975 212</b>
Trade and other receivables		–	<b>61 758</b>	–	<b>61 758</b>	<b>61 758</b>
Amounts owing by clearing houses	<b>14</b>	–	<b>192 777</b>	–	<b>192 777</b>	<b>192 777</b>
Amounts owing by clients	<b>15</b>	–	<b>429 186</b>	–	<b>429 186</b>	<b>429 186</b>
Cash and cash equivalents	<b>16</b>	–	<b>166 310</b>	–	<b>166 310</b>	<b>166 310</b>
		<b>11 089 591</b>	<b>963 931</b>	–	<b>12 053 522</b>	<b>12 053 522</b>

<b>R'000</b>	<b>Notes</b>	<b>Designated at fair value through profit or loss</b>	<b>Loans and receiv- ables</b>	<b>Financial liabilities at amortised cost</b>	<b>Carrying amount</b>	<b>Fair value</b>
Loans payable	17	–	–	135 964	135 964	135 964
Policyholder investment contract liabilities	18	10 974 329	–	–	10 974 329	10 974 329
Trade and other payables		–	–	63 124	63 124	63 124
Amounts owing to clearing houses	14	–	–	16 134	16 134	16 134
Amounts owing to clients	15	–	–	604 668	604 668	604 668
		10 974 329	–	819 890	11 794 219	11 794 219
<b>2015</b>						
Long-term loans receivable	10	–	82 153	–	82 153	82 153
Financial assets at fair value through profit or loss	12	131 560	–	–	131 560	131 560
Linked investments backing policyholder funds	13	9 820 128	–	–	9 820 128	9 820 128
Trade and other receivables		–	97 055	–	97 055	97 055
Amounts owing by clearing houses	14	–	36 575	–	36 575	36 575
Amounts owing by clients	15	–	525 215	–	525 215	525 215
Cash and cash equivalents	16	–	76 777	–	76 777	76 777
		9 951 688	817 775	–	10 769 463	10 769 463
Loans payable	17	–	–	128 033	128 033	128 033
Policyholder investment contract liabilities	18	9 817 581	–	–	9 817 581	9 817 581
Trade and other payables		–	–	63 849	63 849	63 849
Amounts owing to clearing houses	14	–	–	4 060	4 060	4 060
Amounts owing to clients	15	–	–	554 685	554 685	554 685
		9 817 581	–	720 627	10 568 208	10 568 208

R'000	Notes	Designated at fair value through profit or loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
<b>2014</b>						
Long-term loans receivable	10	–	31 965	–	31 965	31 965
Financial assets at fair value through profit or loss	12	76 378	–	–	76 378	76 378
Linked investments backing policyholder funds	13	6 689 808	–	–	6 689 808	6 689 808
Trade and other receivables		–	78 453	–	78 453	78 453
Amounts owing by clients	15	–	287 082	–	287 082	287 082
Cash and cash equivalents	16	–	44 339	–	44 339	44 339
		6 766 186	441 839	–	7 208 025	7 208 025
Loans payable	17	–	–	91 812	91 812	91 812
Policyholder investment contract liabilities	18	6 685 085	–	–	6 685 086	6 685 086
Trade and other payables		–	–	29 199	29 199	29 199
Amounts owing to clearing houses	14	–	–	138 738	138 738	138 738
Amounts owing to clients	15	–	–	147 916	147 916	147 916
		6 685 085	–	407 665	7 092 751	7 092 751

	2016 R'000	2015 R'000	2014 R'000
<b>13. LINKED INVESTMENTS BACKING POLICYHOLDER FUNDS</b>			
Deposits at financial institutions	<b>727 166</b>	567 748	263 801
Bonds and unlisted debt	<b>1 717 015</b>	1 669 680	609 922
Unlisted loans	<b>78 548</b>	85 576	108 927
Equities	<b>3 361 560</b>	4 087 480	2 715 332
Collective investment schemes	<b>3 759 552</b>	1 755 385	1 981 874
Claims against long-term insurers in terms of policies	<b>107 533</b>	91 917	190 055
Exchange traded funds	<b>177 060</b>	137 336	10 902
Foreign mutual fund	<b>419 765</b>	951 629	532 306
Fund of hedge funds	<b>564 240</b>	423 996	265 301
Property trust	–	103	332
SAFEX margin accounts	<b>62 773</b>	49 278	11 056
	<b>10 975 212</b>	9 820 128	6 689 808

14. **AMOUNTS OWING BY/TO CLEARING HOUSES**

Owing by clearing houses			
Equities	<b>158 569</b>	–	–
Fixed interest	<b>5</b>	14 579	–
Futures and Yield-X products	<b>34 203</b>	21 996	–
	<b>192 777</b>	36 575	–
<b>Owing to clearing houses</b>			
Equities	<b>87</b>	4 060	123 603
Fixed interest	<b>10 455</b>	–	9 349
Futures and Yield-X products	<b>5 592</b>	–	5 786
	<b>16 134</b>	4 060	138 738

Amounts owing to or from clearing houses reflects the unsettled client trades for Prescient Securities at year-end.

15. **AMOUNTS OWING BY/TO CLIENTS**

In terms of Section 21 of the Financial Markets Act of 2012, cash held for client accounts and in the client's name is held with JSE Trustees Proprietary Limited ("JSE Trustees"). The amounts owing to and from customers represent unsettled exchange traded transactions at year-end. At year-end client money held with the JSE Trustees amounted to R80 339 616 (2015: R90 495 414). The year-end JSE Trustee balance does not reflect the impact of unsettled purchases and sales between T+1 and T+5 of R0.4 million which have been taken into account in amounts owing to clients.

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>16. CASH AND CASH EQUIVALENTS</b>			
Current accounts	<b>166 310</b>	76 777	44 339
Bank overdraft	<b>(56 912)</b>	(17 858)	(1 963)
	<b>109 398</b>	58 919	42 376

	<b>2016</b> <b>R'000</b>	<b>2015</b> <b>R'000</b>	<b>2014</b> <b>R'000</b>
<b>17. LONG-TERM LOANS PAYABLE</b>			
<b>Standard Bank</b>	–	–	17 259
This loan was converted from a long-term loan to a bank overdraft in the 2015 financial year.			
Standard Bank	<b>28 159</b>	27 866	35 012
A number of Group subsidiaries have issued guarantees to Standard Bank in favour of this secured loan. The original loan, which was repayable in December 2015, was renegotiated with the following terms: Contractually agreed capital repayments are due to be made annually with interest payments due bi-annually, with the outstanding capital and interest amounts repayable on 4 December 2019. Interest is charged at a rate of three-month JIBAR plus 3.45%.			
<b>Loans from minority shareholder</b>	<b>29 884</b>	24 017	–
This unsecured loan payable represents a minority shareholder loan funding in respect of Prescient Investment Management China Limited. This loan carries interest at 0% and has no fixed terms of repayment.			
<b>Loan from PBT Technology Services Proprietary Limited</b>	<b>37 697</b>	37 505	39 541
This loan is unsecured, carries interest at 75% of prime rate and has no fixed terms of repayment.			
<b>Loans from Group companies</b>	<b>37 235</b>	35 145	–
These loans are interest free and have no fixed repayment terms. The loans are not repayable within 12 months.			
<b>Other long-term loans payable</b>	<b>2 989</b>	3 500	–
	<b>135 964</b>	128 033	91 812
Current portion	<b>70 570</b>	65 022	52 406
Non-current portion	<b>65 394</b>	63 011	39 406
	<b>135 964</b>	128 033	91 812
<b>18. POLICYHOLDER INVESTMENT CONTRACT LIABILITIES</b>			
Movement in financial liability:			
Balance at the beginning of the year	<b>9 817 581</b>	6 685 085	5 989 472
Contributions and investment income	<b>3 495 961</b>	3 845 889	1 794 917
Contributions from policyholders	<b>3 128 355</b>	3 595 227	1 553 584
Investment income	<b>367 606</b>	250 662	241 333
Withdrawals by policyholders	<b>(2 514 069)</b>	(1 576 834)	(1 695 982)
Net fair value gains on linked investments backing policyholder funds	<b>174 856</b>	863 441	596 678
Balance at the end of the year	<b>10 974 329</b>	9 817 581	6 685 085



<b>Authorised</b>	<b>Ordinary shares 2016 Number</b>	2015 Number	2014 Number
<b>19. STATED CAPITAL AND RESERVES</b>			
10 000 000 no par value shares (2015: 10 000 000 no par value shares)	<b>10 000 000</b>	10 000 000	10 000 000
<b>Issued, allotted and fully paid Number of ordinary shares</b>			
In issue at 1 April	<b>8 840 571</b>	8 840 571	8 840 571
Issue of FSP shares			
Share issue			
Capitalisation issue			
In issue at 31 March	<b>8 840 571</b>	8 840 571	8 840 571
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Stated capital	<b>53 309</b>	53 309	53 309
<b>Unissued shares</b>			
Unissued shares are under the control of the directors until the forthcoming annual general meeting.			
<b>Nature and purpose of reserves</b>			
<i>Translation reserve</i>			
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.			
<b>OCI movement in reserves, net of tax</b>			
<b>R'000</b>		<b>Translation reserve</b>	<b>Total OCI</b>
<b>2016</b>			
Foreign currency translation difference – foreign operations		<b>6 713</b>	<b>6 713</b>
<b>2015</b>			
Foreign currency translation difference – foreign operations		2 031	2 031
<b>2014</b>			
Foreign currency translation difference – foreign operations		19 602	19 602
Loss in control of subsidiary		(27 383)	(27 383)
		(7 781)	(7 781)

	<b>2016</b>	2015	2014
	<b>R'000</b>	R'000	R'000
<b>20. NON-CASH MOVEMENTS AND ADJUSTMENTS TO PROFIT BEFORE TAXATION</b>			
Non-cash movements and adjustments to profit before taxation	<b>(994 624)</b>	(2 283 710)	(59 098)
Dividend income	<b>(2 946)</b>	(2 804)	(111)
Depreciation and amortisation	<b>2 205</b>	2 267	3 329
Interest income	<b>(22 745)</b>	(16 980)	(13 406)
Net fair value gains on financial assets at fair value through profit or loss	<b>(691)</b>	(8 902)	(6 499)
Interest expense	<b>11 538</b>	10 058	14 171
Share of (gain)/loss of equity-accounted investees (net of tax)	<b>(757)</b>	501	609
Impairment	<b>–</b>	–	31 143
Foreign currency translation differences – foreign operations	<b>(747)</b>	675	(366)
Loss on sale of Prescient Ireland	<b>–</b>	–	10 967
Realised and unrealised net fair value gains on linked investments	<b>174 856</b>	863 441	596 678
Increase in linked investments backing policyholder funds	<b>(1 156 749)</b>	(3 132 496)	(695 613)
Share-based payment expense	<b>1 412</b>	530	–
<b>21. CHANGES IN WORKING CAPITAL</b>	<b>36 456</b>	13 411	(42 271)
Increase in trade and other receivables	<b>(24 875)</b>	(293 311)	96 606
Increase in trade and other payables	<b>61 331</b>	306 722	(138 877)
<b>22. TAXATION PAID</b>	<b>(33 107)</b>	(28 350)	(25 204)
Amount payable/(receivable) at the beginning of the year	<b>(1 800)</b>	(3 761)	23
Profit charge (excluding deferred tax)	<b>(32 434)</b>	(26 389)	(28 720)
Taxation receivable on disposal of subsidiary	<b>–</b>	–	(268)
Amount receivable at the end of the year	<b>1 127</b>	1 800	3 761

## 23. INVESTMENT IN SIGNIFICANT SUBSIDIARIES

<b>Name of subsidiaries</b>	<b>Country of incorporation</b>	<b>Number of issued ordinary shares</b>	<b>% interest</b>
<b>2016</b>			
Prescient Investment Management Proprietary Limited	<b>South Africa</b>	<b>136 000 000</b>	<b>100</b>
Prescient Fund Services Proprietary Limited	<b>South Africa</b>	<b>200</b>	<b>100</b>
Prescient Life (RF) Limited	<b>South Africa</b>	<b>100</b>	<b>100</b>
Prescient Management Company (RF) Proprietary Limited	<b>South Africa</b>	<b>100</b>	<b>100</b>
Prescient Investment Management China Limited	<b>Jersey</b>	<b>42 000</b>	<b>67</b>
Prescient Khawuleza Proprietary Limited	<b>South Africa</b>	<b>1</b>	<b>100</b>
Prescient Global Limited	<b>United Kingdom</b>	<b>10 004</b>	<b>100</b>
Prescient Wealth Management Proprietary Limited	<b>South Africa</b>	<b>83 400</b>	<b>100</b>
Prescient Profile Proprietary Limited	<b>South Africa</b>	<b>100</b>	<b>100</b>
<b>2015</b>			
Prescient Investment Management Proprietary Limited	South Africa	136 000 000	100
Prescient Fund Services Proprietary Limited	South Africa	200	100
Prescient Life (RF) Limited	South Africa	100	100
Prescient Management Company (RF) Proprietary Limited	South Africa	100	100
Prescient Investment Management China Limited	Jersey	42 000	67
Prescient Khawuleza Proprietary Limited	South Africa	1	100
Prescient Global Limited	United Kingdom	10 004	100
Prescient Wealth Management Proprietary Limited	South Africa	83 400	51
Prescient Profile Proprietary Limited	South Africa	100	100
<b>2014</b>			
Prescient Investment Management Proprietary Limited	South Africa	136 000 000	100
Prescient Fund Services Proprietary Limited	South Africa	200	100
Prescient Life (RF) Limited	South Africa	100	100
Prescient Management Company (RF) Proprietary Limited	South Africa	100	100
Prescient Investment Management China Limited	Jersey	42 000	67
Prescient Khawuleza Proprietary Limited	South Africa	1	100
Prescient Global Limited	United Kingdom	10 004	100
Prescient Wealth Management Proprietary Limited	South Africa	83 400	51
Prescient Profile Proprietary Limited	South Africa	100	100

A complete list of subsidiary companies is available on request.

## 24. FINANCIAL RISK MANAGEMENT

The Group is exposed to liquidity risk, credit risk and market risk due to its nature and location of operations across the Group and the financial instruments to which it is exposed.

This note represents information about the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risk and the Group's management of capital.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements.

The Group manages its liquidity risk across the two main operating segments through the implementation of a treasury function whereby all Group cash is centralised and managed appropriately to ensure Group capital and cash resources are applied to the relevant entities to ensure that it has sufficient cash on hand to meet liabilities when they are due.

The Group further manages liquidity risk by maintaining adequate reserves, banking facilities and money market investments, by continuously monitoring forecasts and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

### Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at year-end:

R'000	Carrying	Contractual	6 months or less	6 to 12 months	More than 12 months
<b>2016</b>					
Policyholder investment contract liabilities	10 974 329	10 974 329	10 974 329	–	–
Loans payable	135 964	142 108	108 511	8 402	25 195
Trade and other payables	63 124	63 124	29 176	33 948	–
Amounts owing to clearing houses	16 134	16 134	16 134	–	–
Amounts owing to clients	604 668	604 668	604 668	–	–
Bank overdraft	56 912	56 912	56 912	–	–
	<b>11 851 131</b>	<b>11 857 275</b>	<b>11 789 730</b>	<b>42 350</b>	<b>25 195</b>
<b>2015</b>					
Policyholder investment contract liabilities	9 817 581	9 817 581	9 817 581	–	–
Loans payable	128 033	129 823	75 027	28 377	26 419
Trade and other payables	63 849	63 849	49 953	13 896	–
Amounts owing to clearing houses	4 060	4 060	4 060	–	–
Amounts owing to clients	554 685	554 685	554 685	–	–
Bank overdraft	17 858	17 858	17 858	–	–
	10 586 066	10 587 856	10 519 164	42 273	26 419
<b>2014</b>					
Policyholder investment contract liabilities	6 685 085	6 685 085	6 685 085	–	–
Loans payable	91 812	98 939	4 293	50 971	43 675
Trade and other payables	29 199	29 199	19 254	9 945	–
Amounts owing to clearing houses	138 738	138 738	138 738	–	–
Amounts owing to clients	147 916	147 916	147 916	–	–
Bank overdraft	1 963	1 963	1 963	–	–
	7 094 713	7 101 840	6 997 249	60 916	43 675

## Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, trade and other receivables and long-term loan receivables.

Reputable financial institutions are used for investing and cash handling purposes. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group has exposure to credit risk concentration as a large portion of the Group's fees received are earned from a low number of client mandates.

The credit risk associated with the Group's trade receivables is mitigated by transacting with clients of good financial standing. The credit risk associated with the Group's long-term loan receivables is monitored by management and mitigated by requiring security where they feel it is necessary.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

R'000	Carrying amount		
	2016	2015	2014
Loans receivable	113 900	82 153	31 965
Trade and other receivables	61 758	97 055	78 453
Cash and cash equivalents	166 310	76 777	44 339
	<b>341 968</b>	255 985	154 757

The ageing of loans receivable and trade and other receivables at the reporting date was:

Neither past due nor impaired	164 932	170 759	104 777
Past due 1 – 30 days	2 468	2 485	2 283
Past due 31 – 90 days	1 386	615	95
Past due 91 – 365 days	6 872	5 349	3 263
	<b>175 658</b>	179 208	110 418

None of the trade receivables are considered to be impaired. Trade and other receivables have not been discounted as the impact of discounting is considered to be insignificant. Although there are trade receivables showing as past due, the historical payment trends from these debtors indicate that there is no reason to impair them.

## Market risk

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates and prices.

The Group is, indirectly through the management of client assets and directly through the assets it holds, exposed to a degree of market risk. To the extent that the Group derives its revenue from the values of client assets, fluctuations in these assets' values affect the revenues of the Group accordingly. The Group manages this risk by maintaining and agreeing conservative low risk investment mandates.

Market risk is mitigated through the diversification of investment mandates such that revenue is not overly exposed to any single sector of the investment market. Investment management capacity is monitored to ensure that the performances of specific funds are not unduly compromised through excessive scale.

A 10% downturn in the value of assets that the Group manages and administers in South Africa, on behalf of clients would reduce the Group's revenue by R11.4 million (2015: R10.3 million) and profits after taxation and equity by approximately R8.2 million (2015: R7.4 million) approximately.

## Assets under management and administration

R'bn	2016	2015	2014
Fair value of assets under management	74.4	65.5	59.1
Fair value of assets under administration	67.6	48.6	31.1

### Market risk associated with Policy Holder Contract Liabilities

A subsidiary in the Group is a linked insurance company and issues linked policies to policyholders, and as such does not expose the business to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder. The market and credit risk associated with the financial assets held to back investment contract liabilities issued by Prescient Life Limited is borne in its entirety by policyholders. The liquidity risk associated with the Company being contractually obligated to repay policyholders on demand, is managed through the investment composition of assets included in the policyholder portfolios and by contract with the policyholders. Such contracts mitigate the liquidity risk faced by the Company and passes this on to policyholders in the ordinary course of business and in the event that substantial withdrawals require large-scale disinvestment of the assets in these portfolios. The investment composition at 31 March 2016 is provided in note 13. The Group's exposure to financial risk arising from the financial assets and liabilities is negligible and these financial instruments are therefore excluded from any sensitivity analysis as this would not provide useful information in terms of assessing the risk that the Group is exposed to.

The Group is exposed to market risk in the information management services segment in respect of foreign exchange risk and interest rate risk, which is discussed below.

### Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. Management has set up a policy to require Group entities to manage their foreign currency risk against their functional currency.

The following currency profile analyses the Group's financial assets and liabilities according to the currencies in which they are held at 31 March 2016. These amounts have been converted into Rands:

<b>R'000 Currency</b>	<b>ZAR</b>	<b>EURO</b>	<b>GBP</b>	<b>USD</b>	<b>AUD</b>	<b>TOTAL</b>
<b>2016</b>						
Exchange rate	<b>1.00</b>	<b>17.01</b>	<b>21.64</b>	<b>15.04</b>	<b>11.51</b>	
Assets						
Trade and other receivables	<b>60 726</b>	<b>23</b>	<b>84</b>	<b>923</b>	<b>2</b>	<b>61 758</b>
Cash and cash equivalents	<b>71 003</b>	<b>–</b>	<b>34</b>	<b>95 273</b>	<b>–</b>	<b>166 310</b>
	<b>131 729</b>	<b>23</b>	<b>118</b>	<b>96 196</b>	<b>2</b>	<b>228 068</b>
Liabilities						
Trade and other payables	<b>53 877</b>	<b>–</b>	<b>680</b>	<b>8 567</b>	<b>–</b>	<b>63 124</b>
	<b>53 877</b>	<b>–</b>	<b>680</b>	<b>8 567</b>	<b>–</b>	<b>63 124</b>
<b>2015</b>						
Exchange rate	1.00	13.11	17.92	12.08	9.29	
Assets						
Trade and other receivables	59 529	1	32	37 491	2	97 055
Cash and cash equivalents	49 797	–	53	26 927	–	76 777
	109 326	1	85	64 418	2	173 832
Liabilities						
Trade and other payables	59 488	–	46	121	4 194	63 849
	59 488	–	46	121	4 194	63 849

<b>R'000 Currency</b>	<b>ZAR</b>	<b>EURO</b>	<b>GBP</b>	<b>USD</b>	<b>AUD</b>	<b>TOTAL</b>
<b>2014</b>						
<b>Exchange rate</b>	1.00	14.54	17.58	10.57	9.77	
<b>Assets</b>						
Trade and other receivables	62 044	46	57	16 297	9	78 453
Cash and cash equivalents	44 339	–	–	–	–	44 339
	106 383	46	57	16 297	9	122 792
<b>Liabilities</b>						
Trade and other payables	29 199	–	–	–	–	29 199
	29 199	–	–	–	–	29 199

### **Sensitivity analysis**

A 5% appreciation/depreciation in the exchange rate at 31 March would have decreased/increased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

<b>2016</b>	<b>Equity R'000</b>	<b>Profit or loss R'000</b>
EUR	–	10
GBP	( 34)	42
USD	146	2 403
AUD	–	1
<b>2015</b>		
EUR	–	386
GBP	( 2)	
20		
USD	2 774	1 781
AUD	–	2
<b>2014</b>		
EUR	–	4 896
GBP	646	43
USD	153	155
AUD	–	–

### **Interest rate risk**

The Group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis. The interest rate profile of the Group's financial assets, which earn interest at market related rates, is limited to funds invested in call and current accounts and amounts advanced to employees and related parties.

The interest rate profile of the Group's long-term financial liabilities is also on a floating rate basis.

The fair value of interest-bearing instruments may fluctuate depending primarily on the expectation for inflation, changes in future interest rates and general economic conditions. The fair value of interest-bearing instruments is inversely related to the current market yield, therefore the fair value will go down when interest rates rise and increase when interest rates fall. The Group is exposed to interest rate risk through direct holdings in interest-bearing securities as well as through collective investment schemes with exposure to interest-bearing securities. The impact of interest rate changes on the fair values of interest-bearing instruments is more significant the longer the term of the instrument.

Interest rate risk is mitigated primarily in two ways: holdings are well diversified; and the selection process is conservative in nature where capital preservation is a high priority.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	<b>2016</b> <b>R'000</b>	<b>2015</b> <b>R'000</b>	<b>2014</b> <b>R'000</b>
<b>Variable rate instruments</b>			
Financial liabilities	<b>192 879</b>	145 891	93 775
Financial assets	<b>325 818</b>	184 753	115 766
	<b>518 697</b>	330 644	209 541

A change of 100 basis points in interest rates would have increased or decreased profit before taxation by R2.35 million (2015: R1.33 million; 2014: R0.83 million) and equity by R1.39 million (2015: R1.05 million; 2014: R0.68 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

### **Capital adequacy**

#### *Capital management policies*

A number of subsidiaries in the Group have capital adequacy requirements. Capital is actively managed to ensure that the Group is appropriately capitalised and funded at all times, having regard to the regulatory requirements of its subsidiaries, prudent management and the needs of all stakeholders. Specifically, the Group has adopted the following capital management policies:

- maintenance, as a minimum of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary to ensure that obligations to its clients can be met on a timely basis; and
- maintenance of appropriate level of liquidity at all times. The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts, and any strategic initiatives.

The Group includes financial service providers. As such certain subsidiaries in the Group are subject to the financial services regulations in the jurisdictions in which they operate.

These are as follows:

- South Africa – Financial Services Board (FSB)
- South Africa - Johannesburg Stock Exchange (JSE)
- Namibia – Namibia Financial Institutions Supervisory Authority (NAMFISA)
- Jersey – Jersey Financial Services Commission (JFSC)

All of these bodies have regulatory capital adequacy requirements for financial services entities operating in their jurisdiction. As such, the Group ensures ongoing compliance with these requirements.

Prescient Life (RF) Limited is required to hold a minimum amount of capital in terms of the Long-Term Insurance Act to support the issuing of linked policies to policy holders. Capital adequacy requirements were covered 1.77 times at 31 March 2016 (2015: 1.89; 2014: 2.34). The ratio is determined in accordance with regulations and the guidelines of the Long-term Insurance Act.

Life Insurers are also running parallel Capital Requirement calculations under the upcoming Solvency Assessment and Management (SAM) regulatory framework. The framework is in its final stages of development, and is currently expected to replace the current framework in January 2017. Under this framework, the capital adequacy requirements are covered approximately 1.45 times at 31 March 2016 (2015: 1.59; 2014: Not applicable).

Prescient Management Company (RF) Proprietary Limited and EMHPrescient Unit Trust Limited, are required to hold a minimum amount of capital in order to meet the requirements set out by the regulators of the jurisdictions, being South Africa and Namibia, in which they operate. Prescient Management Company (RF) Proprietary Limited and EMHPrescient Unit Trust Limited met the solvency requirements at 31 March 2016 and 31 March 2015.

There are other subsidiaries in the Group that have capital and liquidity requirements, all of which have been met.



## 25. REPURCHASE OF UNITS

A subsidiary within the Group undertakes to repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Collective Investment Schemes Control Act No. 45 of 2002 and on terms and conditions set out in the Trust Deed constituting the Prescient Collective Investment Schemes.

## 26. RELATED PARTIES

### Identity of related parties

The Group has related party relationships with subsidiaries, associates and with its key management personnel. The significant subsidiaries of the Company are set out in note 23. Related party transactions are made on terms equivalent to those that prevail in arms-length transactions.

Details of significant related party transactions are set out below:

	2016 R'000	2015 R'000	2014 R'000
Fee income earned from Prescient Fund Services Ireland Limited	2 173	2 419	8,581
Administration expense paid to Prescient Fund Services Ireland Limited	(1 986)	(1 340)	(7 708)
Fee income earned from Prescient Limited	1 990	1 681	–
Fee income earned from PBT Technology Services Proprietary Limited	2 525	1 807	–
Interest expense based on loan from PBT Technology Services Proprietary Limited	(2 658)	(2 392)	(3 774)
Interest expense based on loan from Prescient Limited	(2 125)	(1 903)	(909)
Interest income earned on loan to PBT Technology Services Proprietary Limited	4 241	2 450	1 834

### Details of significant related party balances are set out below

Prescient Capital Proprietary Limited	(5 498)	(6 961)	–
Prescient Fund Services Ireland Limited	(2 462)	–	–
Prescient Limited	(29 148)	(27 770)	–
PBT Technology Services Proprietary Limited	(37 697)	(37 505)	(39 541)
PBT Technology Services Proprietary Limited	60 090	30 175	–
Prescient Property Holdings Proprietary Limited	–	–	1 215

These balances are reported as part of long-term loans and other receivables, note 10, and long-term loans payable, note 17.

### Transactions with key management personnel

Key management personnel are defined as the Board of Directors and the executive committee of the major operating entities.

### Key management personnel compensation

Key management personnel compensation comprised of the following:

R'000	2016	2015	2014
Short-term employee benefits	46 163	38 373	32 357
Share-based payment	538	119	–
Total	46 701	38 492	32 357

### Key management personnel and director transactions

A number of key management personnel, or their related parties, hold positions in other group entities that result in them having control or significant influence over the financial or operating policies of those entities.

### Balances due from related parties

Refer to note 10 and 17 for details of other related party balances. Fisc Investment Management Proprietary Ltd is a related party controlled by Herman Steyn, CEO. Other loans payable includes loans from directors.

### Directors' emoluments

Directors' emoluments amounting to R5 940 863 (2015: R6 262 113; 2014: R5 534 486) are included in employee benefits as disclosed in note 3.1.

## 27. COMMITMENTS

### Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2016 R'000	2015 R'000	2014 R'000
Less than one year	3 298	3 171	3 317
Between one and five years	3 944	7 242	395
	<b>7 242</b>	10 413	3 712

At 31 March 2016, the Group was obligated under a number of operating leases for properties for which the future minimum lease payments extended over a number of years. The annual escalation clauses range between 6% and 9%.

## 28. FUNDS UNDER MANAGEMENT

South African subsidiaries within the Group manage assets on behalf of clients with a market value at 31 March 2016 of R74.2 billion (2015: R65.5 billion), which are not reflected on the consolidated statement of financial position of the Group while the third party assets under administration for the Group amount to R67.6 billion as at 31 March 2016 (2015: R48.6 billion; 2014: R31.1 billion).

## 29. SEGMENT REPORT

The Group has identified Prescient Holdings Proprietary Limited's executive committee as the Chief Operating Decision Maker ("CODM"). The responsibility of the executive committee is to assess performance and to make resource allocation decisions across the Group. The Group provides investment management and administration services to institutional and retail clients predominantly located in South Africa. No disaggregated information is provided to the CODM on the separate operations of the Group, and the CODM assesses operating performance and makes resource decisions about the Group based on the combined results of these operations. The Group has therefore concluded that the combined operations of the Group constitute one operating segment.

## 30. SUBSEQUENT EVENTS

On 19 July 2016, Prescient Holdings Proprietary Limited, the holding Company of Prescient Holdings Proprietary Limited, a Company listed on the JSE, announced on SENS that its Financial Services operations would be unbundled through a scheme of arrangement that would be voted on by its shareholders. If the scheme is passed by shareholders, Stellar Capital Partners, an investment holding Company also listed on the JSE, would become a strategic investor in Prescient Holdings as a result of financing the minority buyout. Prescient Holdings' staff and management would remain invested in the Financial Services operations by reinvesting their proceeds of the scheme into Prescient Holdings. This transaction is subject to a number of conditions which include, but are not limited to, regulatory approvals from the JSE, the Competition Commission, the Takeover Regulation Panel and the Financial Services Board.

Prescient Securities concluded two separate B-BBEE transactions subsequent to 31 March 2016 that will have a positive impact on Prescient Securities' Black Economic Empowerment ownership scorecard. The impact on the financial statements cannot be made.

Subsequent to the financial year-end the Group made a decision to purchase Prescient Fund Services Ireland Limited from Prescient Capital Proprietary Limited, which is a 100% held subsidiary of Prescient Limited. As at the reporting date the transaction had not yet been completed but it is expected to be completed prior to the finalisation of the Proposed Transaction with Stellar Capital Partners. The inclusion of Prescient Fund Services Ireland Limited in the Financial Services operations of Prescient Holdings Proprietary Limited is to ensure that all relevant operations are included in the overall Group prior to the ultimate transaction with Stellar Capital Partners. Since the transfer will take place between two entities that are 100% held by Prescient Limited, this transaction will therefore be considered to take place between two entities with common control.

These transactions do not impact the financial results of Prescient Holdings Proprietary Limited, or its subsidiaries, as at the reporting date. There were no other material events subsequent to the reporting date.

31. **GOING CONCERN**

The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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**REPORTING ACCOUNTANTS' REPORT ON THE AUDITED HISTORICAL FINANCIAL INFORMATION OF PFH FOR THE YEAR ENDED 31 MARCH 2016, AND THE REVIEWED HISTORICAL FINANCIAL INFORMATION OF PFH FOR THE TWO YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2014**

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The Directors  
Prescient Ltd  
PO Box 31142  
Tokai  
7966

23 September 2016

Dear Sirs

**Independent Reporting Accountants' Report on the Report of Historical Financial Information of Prescient Ltd and its subsidiaries ("the Group") for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.****INTRODUCTION**

The definitions commencing on page 9 of the circular to which this letter is attached apply, *mutatis mutandis*, to this report.

At your request, and for the purposes of the circular, we have audited the historical financial information of Prescient Ltd for the year-ended 31 March 2016 and reviewed the historical financial information for the years ended 31 March 2015 and 2014 presented in the Report of Historical Financial Information of the Group for the years ended 31 March 2016, 2015 and 2014, which comprises the consolidated statements of financial position, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flows for the years then ended, a summary of significant accounting policies and other explanatory notes (collectively "the Report of Historical Financial Information of the Group"), as presented in Annexure 12 to the circular, in compliance with the Listings Requirements and International Financial Reporting Standards ("IFRS"). The Report of Historical Financial Information of the Group has been prepared for purposes of providing financial information to satisfy the requirements of Section 8 of the Listings Requirements and for no other purpose.

KPMG Inc. is the independent reporting accountant to the Group in respect of the circular.

**RESPONSIBILITY OF THE DIRECTORS**

The directors are responsible for the compilation, contents and preparation of the circular including the Report of Historical Financial Information of the Group in accordance with the Listings Requirements.

The directors are responsible for the fair presentation of the Report of Historical Financial Information of the Group for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 in accordance with IFRS and the Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of the Report of Historical Financial Information of the Group that is free from material misstatement, whether due to fraud or error.

**RESPONSIBILITY OF THE INDEPENDENT REPORTING ACCOUNTANT**

Our responsibility is to express an audit opinion on the Report of Historical Financial Information of the Group for the year-ended 31 March 2016 based on our audit in accordance with International Standards on Auditing and review conclusions on the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 2014 based on our reviews in accordance with International Standard on Review Engagements ISRE 2400 (Revised).

## **REPORT OF HISTORICAL FINANCIAL INFORMATION OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2016**

We have audited the Report of Historical Financial Information of the Group for the year-ended 31 March 2016, as presented in Annexure 12 to the circular, prepared in accordance with IFRS and the Listings Requirements.

*Responsibility of the Independent Reporting Accountant in respect of the Report of Historical Financial Information of the Group for the year-ended 31 March 2016*

Our responsibility is to express an opinion on the Report of Historical Financial Information of the Group for the year-ended 31 March 2016. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Report of Historical Financial Information of the Group for the year-ended 31 March 2016 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report of Historical Financial Information of the Group for the year-ended 31 March 2016. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Report of Historical Financial Information of the Group for the year-ended 31 March 2016, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Report of Historical Financial Information of the Group for the year-ended 31 March 2016 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Report of Historical Financial Information of the Group for the year-ended 31 March 2016.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit evidence included that which we previously obtained during the conduct of our audit of the financial statements of the Group from which the Report of Historical Financial Information of the Group for the year-ended 31 March 2016 has been derived.

*Opinion on the Report of Historical Financial Information of the Group for the year-ended 31 March 2016*

In our opinion, the Report of Historical Financial Information of the Group for the year-ended 31 March 2016, as presented in Annexure 12 to the Circular, presents fairly, in all material respects, the consolidated financial position of the Group at 31 March 2016 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS and the Listings Requirements.

## **REPORT OF HISTORICAL FINANCIAL INFORMATION OF THE GROUP FOR THE YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2014**

We have reviewed the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 31 March 2014, as presented in Annexure 12 to the circular, prepared in accordance with IFRS and the Listings Requirements.

*Responsibility of the Independent Reporting Accountants in respect of the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 2014*

Our responsibility is to express a review conclusion on the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 31 March 2014, based on our reviews for the years then ended, in accordance with International Standard on Review Engagements ISRE 2400 (Revised), which applies to a review of historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 31 March 2014, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 31 March 2014 in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and other within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the Report of Historical Financial Information of the Group for the years ended 31 March 2015 and 31 March 2014.

*Basis for Qualified Conclusion on the Report of Historical Financial Information of the Group for the year-ended 31 March 2014*

IAS 1 Presentation of Financial Statements, requires a Company to present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. Paragraph 8.4 of the JSE Listings Requirements states that, notwithstanding the requirements of IAS 1 Presentation of Financial Statements, if reviewed financial information is being prepared for the purposes of Paragraph 8.4, no comparative results need to be shown, if that financial information has been prepared using accounting policies that are identical to those contained in the historical financial information of the JSE Listings Requirements. Prescient Holdings Proprietary Ltd has not presented comparative information for the year-ended 31 March 2014 as required by International Financial Reporting Standards, but complies with the JSE Listing Requirements.

*Qualified Conclusion on the Report of Historical Financial Information of the Group for the period ended 31 March 2014*

Based on our review, except for the omission of the comparative information described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Report of Historical Financial Information of the Group, as presented in Annexure 12 to the Circular, does not present fairly, in all material respects, the consolidated financial position of the Group at 31 March 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS and the Listings Requirements.

*Unqualified Conclusion on the Report of Historical Financial Information for the year-ended 31 March 2015*

Based on our review, nothing has come to our attention that causes us to believe that the Report of Historical Financial Information of the Group, as presented in Annexure 12 to the Circular, does not present fairly, in all material respects, the consolidated financial position of the Group at 31 March 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS and the Listings Requirements.

Yours faithfully

**KPMG Inc.**

**Per GM Pickering**

Chartered Accountant (SA)

Registered Auditor

*Director*

MSC House

1 Mediterranean Street

Foreshore

Cape Town

8001

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**SECTION 164 OF THE COMPANIES ACT (DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS)**

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- “(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; nor
    - (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 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, in which case the shareholder is reinstated to their full rights as a shareholder, 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 offer 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 pay 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.”

## SHARE DEALINGS BY PRESCIENT SHAREHOLDERS THAT PROVIDED IRREVOCABLE UNDERTAKINGS

In terms of Regulation 106(6) of the Companies Act, the following table sets out the list of share dealings by Prescient Shareholders who provided irrevocable undertakings as per Section C, Paragraph 2.2 to vote in favour of the Proposed Transaction. This list includes all share dealings for the period between the six months prior to the announcement date and the Last Practicable Date. For the sake of clarity, the announcement date is the date of the announcement of the Proposed Transaction (19 July 2016) and therefore the six-month period prior to that date commenced on 20 January 2016.

Name of shareholder	Date	Transaction type	Number of shares	Price (cents)	Rand amount
Cornelius Winckler	20 January 2016	Sale <sup>(1)</sup>	100 000	90.82	90 823.78
Cornelius Winckler	22 January 2016	Sale <sup>(1)</sup>	688 000	90.24	620 859.98
Cornelius Winckler	25 January 2016	Sale <sup>(1)</sup>	34 520	89.59	30 927.80
Cornelius Winckler	26 January 2016	Sale <sup>(1)</sup>	110 100	87.06	95 856.73
Cornelius Winckler	27 January 2016	Sale <sup>(1)</sup>	929 977	85.82	798 072.07
Cornelius Winckler	28 January 2016	Sale <sup>(1)</sup>	24 000	88.51	21 241.99
Cornelius Winckler	29 January 2016	Sale <sup>(1)</sup>	11 000	89.33	9 825.78
Van Rooyen Family Trust	5 February 2016	Capitalisation dividend	528 079	104.00	549 202.16
Guy Toms	5 February 2016	Capitalisation dividend	56 257	104.00	58 507.28
Johan Steyn	5 February 2016	Capitalisation dividend	5 900	104.00	6 136.00
Emma Potts	5 February 2016	Capitalisation dividend	3 397	104.00	3 532.88
Heather Millerd	24 February 2016	Purchase	17 825 517	83.00	14 795 179.11
Carey Millerd	24 February 2016	Sale	17 825 517	83.00	14 795 179.11
Herman Steyn	24 February 2016	Purchase	861	83.00	714.63
Herman Steyn	25 February 2016	Purchase	15 000	83.00	12 450.00
Herman Steyn	26 February 2016	Purchase	59 715	84.00	50 160.60
Prescient Empowerment Trust	17 May 2016	Sale	7 629	108.00	8 239.32
Stephen Heath	17 May 05 2016	Sale	47 600	107.00	50 932.00
Stephen Heath	17 May 2016	Sale	2 400	107.00	2 568.00
Prescient Empowerment Trust	17 June 2016	Sale	959 394	105.00	1 007 363.70
Paul Marais	28 June 2016	Sale	57 000	105.00	59 850.00
Paul Marais	29 June 2016	Sale	143 000	105.00	150 150.00
Fisc Investments Proprietary Ltd	22 July 2016	Transfer in <sup>(2)</sup>	272 394 774	98.00	266 946 878.52
Prescient Empowerment Trust	25 July 2016	Sale	257 822	100.00	257 822.00
Prescient Empowerment Trust	25 July 2016	Sale	386 733	100.00	386 733.00
Prescient Empowerment Trust	25 July 2016	Sale	967 023	100.00	967 023.00
Prescient Empowerment Trust	25 July 2016	Sale	580 163	100.00	580 163.00
Prescient Empowerment Trust	25 July 2016	Sale	773 593	100.00	773 593.00
Prescient Empowerment Trust	25 July 2016	Sale	257 822	100.00	257 822.00
Prescient Empowerment Trust	25 July 2016	Sale	128 911	100.00	128 911.00
Liang Du	25 July 2016	Purchase	386 733	100.00	386 733.00
Prescient Empowerment Trust	27 July 2016	Sale	9 025 038	98.00	8 844 537.24
Prescient Empowerment Trust	28 July 2016	Sale	128 911	98.00	126 332.78
Prescient Empowerment Trust	29 July 2016	Sale	451 252	98.00	442 226.96
Prescient Empowerment Trust	29 July 2016	Sale	64 519	98.00	63 228.62
Prescient Empowerment Trust	29 July 2016	Sale	644 682	98.00	631 788.36
Aura Business	29 July 2016	Purchase	644 682	98.00	631 788.36
Prescient Empowerment Trust	2 August 2016	Sale	386 733	97.00	375 131.01
Godfrey Groepes	8 August 2016	Transfer out <sup>(3)</sup>	904 139	97.00	877 014.83
Michael Buckham	11 August 2016	Transfer out <sup>(4)</sup>	8 518 520	96.00	8 177 779.20
Prescient Empowerment Trust	12 August 2016	Sale	7 258 691	96.00	6 968 343.36
Sando Holdings	12 August 2016	Purchase	7 258 691	96.00	6 968 343.36

<b>Name of shareholder</b>	<b>Date</b>	<b>Transaction type</b>	<b>Number of shares</b>	<b>Price (cents)</b>	<b>Rand amount</b>
Clearstream Banking SA	12 August 2016	Purchase <sup>(5)</sup>	125 065	96.75	120 999.94
Clearstream Banking SA	15 August 2016	Purchase <sup>(5)</sup>	175 775	96.61	169 817.46
Clearstream Banking SA	15 August 2016	Purchase <sup>(5)</sup>	645 755	96.57	623 609.68
Clearstream Banking SA	17 August 2016	Purchase <sup>(5)</sup>	86 373	96.85	83 649.05
Prescient Empowerment Trust	17 August 2016	Purchase	100 000	96.00	96 000.00
Prescient Empowerment Trust	17 August 2016	Sale	1 289 237	96.00	1 237 667.52
Justin Sage	17 August 2016	Purchase	7 753	96.00	7 442.88
Justin Sage	17 August 2016	Purchase	10 485	96.00	10 065.60
Clearstream Banking SA	18 August 2016	Purchase <sup>(5)</sup>	967 032	96.56	933 734.25
Janine Steyn	19 August 2016	Purchase	76 500	96.00	73 440.00
Prescient Empowerment Trust	24 August 2016	Sale	644 682	96.00	618 894.72
Wayne Smith	24 August 2016	Purchase	644 682	96.00	618 894.72
St Helena Family Trust	25 August 2016	Transfer out <sup>(5)</sup>	274 789 746	97.00	266 546 053.62
Rene van Eck	1 September 2016	Sale	140 000	99.00	138 600
Rene van Eck	2 September 2016	Sale	60 000	99.00	59 400
Prescient Empowerment Trust	8 September 2016	Sale	100 000	100.00	100 000.00
Justin Sage	8 September 2016	Transfer out <sup>(6)</sup>	100 000	100.00	100 000.00
Paul Marais	12 September 2016	Sale	150 000	100.00	150 000.00
Paul Marais	12 September 2016	Sale	100 000	100.00	100 000.00
Georgina Kirkpatrick	12 September 2016	Transfer out <sup>(7)</sup>	4 441 686	100.00	4 441 686.00

(1) These transactions were related to a single shareholder and took place over a number of days to finalise a sale of a tranche of Prescient shares. The prices of the transactions reflect the average price per day, net of brokerage.

(2) This transaction was a transfer of shares from the Sting Trust to Fisc Investment Management. Herman Steyn is the beneficial owner of both entities and therefore this did not represent any change to beneficial ownership. As at the last practicable date the shares were held entirely by Fisc Investment Management.

(3) This transaction represented a transfer of shares from Godfrey Groepes to Alfisti Investments Proprietary Limited. There was no change in beneficial ownership. The shares are held by Alfisti Investments Proprietary Limited as at the Last Practicable Date.

(4) This transaction represented a transfer of shares from Michael Buckham to Rockjumper Investments Proprietary Limited. There was no change in beneficial ownership. The shares are held by Rockjumper Investments Proprietary Limited as at the Last Practicable Date.

(5) These transactions were related to a single shareholder and took place over a number of days to finalise a purchase of a tranche of Prescient shares. The prices of the transactions reflect the average price per day, net of brokerage.

(6) This transaction represented a transfer of shares from the St Helena Family Trust to NIMEEMMI CC. There was no change in beneficial ownership. The shares are held by NIMEEMMI CC as at the Last Practicable Date.

(7) This transaction represented a transfer of shares from Justin Sage to JJS888 Proprietary Limited. There was no change in beneficial ownership. The shares are held by JJS888 Proprietary Limited as at the Last Practicable Date.

(8) This transaction represented a transfer of shares from Georgina Kirkpatrick to Fermagh Investments. There was no change in beneficial ownership. The shares are held by Fermagh Investments as at the Last Practicable Date.

# PRESCIENT LIMITED

## Prescient Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1936/008278/06)  
(Share Code: PCT ISIN: ZAE000163531)  
("Prescient" or the "Company")

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## NOTICE OF GENERAL MEETING

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Notice is hereby given that a meeting of the Prescient Shareholders of will be held at 10:00 on Friday, 28 October 2016 at the Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, to consider and, if deemed fit, to pass, with or without modification, the General Meeting Resolutions set out below. The Voting Record Date in terms of Section 59 of the Companies Act for General Meeting participants to be recorded on the Register in order to be able to attend, participate, speak and vote at the General Meeting is Friday, 21 October 2016.

### Important dates to note

2016

**Last day to trade** in order to be eligible to vote at the General Meeting

**Tuesday, 18 October**

**Voting Record Date** to be able to vote at the General Meeting

**Friday, 21 October**

Forms of proxy and election to be received by no later than 10:00 on

**Wednesday, 26 October**

General Meeting to be held at 10:00 on

**Friday, 28 October**

In terms of Section 62(3)(e) of the Companies Act:

- a Prescient Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the general meeting in the place of the Prescient Shareholder, by completing the form of proxy and election in accordance with the instructions set out therein;
- a proxy need not be a Prescient Shareholder; and
- Prescient Shareholders recorded in the Register on the Voting Record Date (including Prescient Shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include valid identity documents, driver's licences and passports.

In terms of Section 61(10) of the Companies Act:

- Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call and, if they wish to do so:
- must inform your CSDP or broker to contact the Company secretary by email at bianca.pieters@pbtgroup.co.za no later than 10:00 on Wednesday, 26 October 2016 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the General Meeting,

provided that Prescient Shareholders and their proxies will not be able to vote telephonically at the General Meeting.

## **SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF NAME CHANGE**

**“RESOLVED THAT**, in accordance with section 16(1)(c) as read with section 16(5)(b)(i) of the Companies Act, the Company’s MOI be and is hereby amended to give effect to the change of the Company’s name from “Prescient Limited” to “PBT Group Limited”.

The percentage of voting rights that will be required in terms of the Companies Act for this special resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

### **Explanatory note in respect of special resolution number 1**

In terms of section 16(5)(b)(i) of the Company’s Act, the Company’s MOI must be amended in order to give effect to a Company’s name change. The effect of special resolution number 1 is to amend the Company’s memorandum of incorporation accordingly.

## **ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE PFH SUBSCRIPTION**

**“RESOLVED THAT** the issue of the PFH Subscription Shares by PFH to Stellar Capital or its nominee for cash in accordance with the terms and conditions of the Subscription Agreement, is hereby approved in accordance with the provisions of paragraph 9.20 of the JSE Listings Requirements.”

The percentage of voting rights that will be required for this ordinary resolution number 1 to be adopted is at least 50% of the voting rights exercised on the resolution.

## **ORDINARY RESOLUTION NUMBER 2 – AUTHORISATION OF DIRECTORS**

**“RESOLVED THAT**, any of the Prescient directors be and are hereby authorised to do all things and sign all documents required to give effect to and implement special resolution number 1, special resolution number 2 and ordinary resolution number 1 set out above.”

The percentage of voting rights that will be required for this ordinary resolution number 2 to be adopted is at least 50% of the voting rights exercised on the resolution.

## **QUORUM**

The General Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the General Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Prescient Shareholders personally present or represented by proxy (and if the Prescient Shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by Prescient Shareholders.

## **FORM OF PROXY**

A form of proxy (*green*) is attached for the convenience of any Certificated Shareholders and “own name” Dematerialised Shareholders who are unable to attend the General Meeting who wish to be represented thereat. Forms of proxy may also be obtained on request from Prescient’s registered office. The duly completed forms of proxy must be deposited at or posted to the office of the Transfer Secretaries to be received by not later than 48 hours prior to the General Meeting, i.e. by 10:00 on Wednesday, 26 October 2016. The form of proxy may also be handed to the chairman of the General Meeting or adjourned General Meeting before the General Meeting is due to commence or recommence. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the General Meeting should the Prescient Shareholder subsequently decide to do so.

Attached to the form of proxy (*green*) is an extract of section 58 of the Companies Act, to which Shareholders are referred.

Shareholders who have already Dematerialised their Shares through a CSDP or broker and who wish to attend the General Meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised Shareholders who have elected “own-name” registration in the Register through a CSDP and who are unable to attend but who wish to vote at the General Meeting must complete and return the attached relevant form of proxy and lodge it with the Transfer Secretaries to be received by no later than 10:00 on Wednesday, 26 October 2016.

*By order of the Board.*

### **Link Market Services South Africa Proprietary Limited**

(Registration number 2000/007239/07)  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001  
(PO Box 4844, Johannesburg, 2000)

### **Registered office**

Prescient House  
Westlake Business Park, Otto Close  
Westlake, 7945  
South Africa  
(PO Box 31142, Tokai, 7966)  
30 September 2016

# PRESCIENT LIMITED

## Prescient Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1936/008278/06)  
Share Code: PCT ISIN ZAE000163531  
("Prescient" or the "Company")

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## NOTICE OF SCHEME MEETING

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Notice is hereby given that a meeting of the Prescient Shareholders will be held immediately after the conclusion of the General Meeting (expected to be at 11:00) on Friday, 28 October 2016 at the Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, to consider and, if deemed fit, to pass, with or without modification, the special resolutions and the ordinary resolutions set out below. The Voting Record Date in terms of Section 59 of the Companies Act for Scheme Participants to be recorded on the Register in order to be able to attend, participate, speak and vote at the Scheme Meeting is Friday, 21 October 2016.

### Important dates to note

2016

**Last day to trade** in order to be eligible to vote at the Scheme Meeting

**Tuesday, 18 October**

**Voting Record Date** to be able to vote at the Scheme Meeting

**Friday, 21 October**

Forms of proxy and election to be received by no later than 11:00 on

**Wednesday, 26 October**

Scheme Meeting to be held at 11:00 on

**Friday, 28 October**

In terms of Section 62(3)(e) of the Companies Act:

- a Prescient Shareholder who is entitled to attend and vote at the Scheme Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the Scheme Meeting in the place of the Prescient Shareholder, by completing the form of proxy and election in accordance with the instructions set out therein;
- a proxy need not be a Prescient Shareholder; and
- Prescient Shareholders recorded in the Register on the Voting Record Date (including Shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the Scheme Meeting. Forms of identification include valid identity documents, driver's licences and passports.

In terms of Section 61(10) of the Companies Act:

- Shareholders or their proxies may participate in (but not vote at) the Scheme Meeting by way of a teleconference call and, if they wish to do so:
- must inform your CSDP or broker to contact the Company Secretary by email at bianca.pieters@pbtgroup.co.za no later than 11:00 on Wednesday, 26 October 2016 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Scheme Meeting,

provided that Shareholders and their proxies will not be able to vote telephonically at the Scheme Meeting.

### SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE SCHEME

**"RESOLVED THAT** the scheme of arrangement in terms of section 114 of the Companies Act (more fully described in the circular dated Friday, 30 September 2016), proposed by the Prescient Board between Prescient and the Prescient Shareholders, be and is hereby approved in terms of section 115(2)(a) of the Companies Act."

The percentage of voting rights that will be required in terms of the Companies Act for this special resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

## **SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF SCHEME DOES NOT BECOME UNCONDITIONAL, IS NOT CONTINUED AND DISSENTING SHAREHOLDERS HAVE EXERCISED APPRAISAL RIGHTS UNDER SECTION 164 OF THE COMPANIES ACT**

**“RESOLVED THAT**, subject to and in the event of –

- (i) special resolution number 1 being approved by the Prescient Shareholders; and
- (ii) the Scheme not becoming unconditional for whatever reason; and
- (iii) the Company and/or Stellar Capital making an announcement on SENS to the effect that the Scheme shall not be continued or pursued any further, made unconditional or revived; and
- (iv) any Dissenting Shareholders of Prescient having exercised their appraisal rights under section 164 of the Companies Act,

special resolution number 1 is revoked with effect from the date of the announcement contemplated in (iii) above, as contemplated in section 164(9)(c) of the Companies Act.”

The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

## **ORDINARY RESOLUTION NUMBER 1 – AUTHORISATION OF DIRECTORS**

**“RESOLVED THAT** any of the Prescient directors be and are hereby authorised to do all things and sign all documents required to give effect to and implement special resolution number 1 and special resolution number 2 set out above.”

The percentage of voting rights that will be required for this ordinary resolution number 1 to be adopted is at least 50% of the voting rights exercised on the resolution.

## **QUORUM**

The Scheme Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the Scheme Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Scheme Meeting. A matter to be decided at the Scheme Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Prescient Shareholders personally present or represented by proxy (and if the Prescient Shareholder is a body corporate, it must be represented) and entitled to vote at the Scheme Meeting on matters to be decided by Prescient Shareholders.

## **FORM OF PROXY**

A form of proxy (*green*) is attached for the convenience of any Certificated Shareholders and “own name” Dematerialised Shareholders who are unable to attend the Scheme Meeting who wish to be represented thereat. Forms of proxy may also be obtained on request from Prescient’s registered office. The duly completed forms of proxy must be deposited at or posted to the office of the Transfer Secretaries to be received by not later than 48 hours prior to the Scheme Meeting, i.e. by 11:00 on Wednesday, 26 October 2016. The form of proxy may also be handed to the chairman of the Scheme Meeting or adjourned Scheme Meeting before the Scheme Meeting is due to commence or recommence. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Scheme Meeting should the Shareholder subsequently decide to do so.

Attached to the form of proxy (*green*) is an extract of section 58 of the Companies Act, to which Shareholders are referred.

Shareholders who have already dematerialised their Shares through a CSDP or broker and who wish to attend the Scheme Meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised Shareholders who have elected “own-name” registration in the Register through a CSDP and who are unable to attend but who wish to vote at the Scheme Meeting must complete and return the attached relevant form of proxy and election and lodge it with the Transfer Secretaries to be received by no later than 11:00 on Wednesday, 26 October 2016.



## **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In terms of section 164 of the Companies Act, at any time before the special resolution as set out in this notice of Scheme Meeting is voted on, a Prescient Shareholder may give Prescient a written notice objecting to the special resolution.

A Shareholder may demand that Prescient pay the Shareholder the fair value for all of the Prescient Shares held by that person if:

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

Shareholders are referred to Section C, paragraph 2.1.8 of the circular to which this notice is attached for more information regarding Appraisal Rights.

*By order of the Prescient Board.*

### **Link Market Services South Africa Proprietary Limited**

(Registration number 2000/007239/07)

13th Floor, Rennie House

19 Ameshoff Street

Braamfontein, 2001

(PO Box 4844, Johannesburg, 2000)

### **Registered office**

Prescient House

Westlake Business Park, Otto Close

Westlake, 7945

South Africa

(PO Box 31142, Tokai, 7966)

**30 September 2016**



# PRESCIENT LIMITED

## Prescient Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1936/008278/06)  
Share Code: PCT ISIN: ZAE000163531  
("Prescient" or the "Company")

### FORM OF PROXY (FOR USE BY CERTIFICATED AND "OWN NAME" DEMATERIALIZED SHAREHOLDERS ONLY)

#### FORM OF PROXY

For use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only, at the Scheme Meeting and the General Meeting of shareholders of the Company to be held at 10:00 and 11:00 respectively on Friday, 28 October 2016 at the Company's registered office, Prescient House, Westlake Business Park, Otto Close, Westlake, 7945.

Dematerialised Shareholders without "own name" registration must inform their CSDP or broker of their intention to attend the Scheme Meeting and the General Meeting, and request their CSDP or Broker to issue them with the necessary letter of representation to attend the Scheme Meeting and the General Meeting in person and vote, or provide their CSDP or Broker with their voting instructions should they not wish to attend the Scheme Meeting and the General Meeting in person. These shareholders must not use this form of proxy and election.

I/We

(Full names in BLOCK LETTERS)

of (address)

being the holders of  ordinary shares in the capital of the Company do hereby appoint (see note):

1. or failing him/her;

2. or failing him/her;

3. the chairperson of the Scheme Meeting and the General Meeting,

as my/our proxy to act for me/us at the Scheme Meeting and the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against the resolutions in respect of the ordinary shares registered in my/our name in accordance with the following instructions:

	*For	*Against	*Abstain
<b>Scheme Meeting Resolutions</b>			
<b>Special resolution number 1</b> – Approval of the scheme <b>Prescient Shareholders are also required to complete the Election 1 and Election 2 below</b>			
<b>Special resolution number 2</b> – Revocation of special resolution number 1 if Scheme lapses and is not continued			
<b>Ordinary resolution number 1</b> – Authority to directors and company secretary to implement the Scheme Meeting Resolutions			
<b>General Meeting Resolutions</b>			
<b>Special resolution number 1</b> – Approval of the Name Change			
<b>Ordinary resolution number 1</b> – Approval of the PFH Subscription			
<b>Ordinary resolution number 2</b> – Authority to directors and Company Secretary to implement the above General Meeting Resolutions			

\* One vote per share held by Shareholders recorded in the Register on the Voting Record Date.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2016

Signature \_\_\_\_\_

Assisted by (if applicable) \_\_\_\_\_

Address \_\_\_\_\_

Cell phone number \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the meeting.

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out below:

#### Notes

1. The form of proxy must only be used by Certificated Shareholders or Dematerialised Shareholders with "own name" registration.
2. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
3. A Prescient Shareholder that is entitled to attend and vote at the Scheme Meeting and the General Meeting may appoint any individual (or two or more individuals) as a proxy or proxies to attend, participate in and vote at the Scheme Meeting and the General Meeting in the place of the shareholder. A proxy need not be a shareholder of the Company. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairperson of the Scheme Meeting and the General Meeting". The person whose name stands first on the form of proxy and who is present at the Scheme Meeting and the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Scheme Meeting and the General Meeting as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the Scheme Meeting and the General Meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the Transfer Secretaries not less than 48 hours before the commencement of the Scheme Meeting and the General Meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Scheme Meeting and the General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the Scheme Meeting and the General Meeting may reject or accept any form of proxy and election which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this form of proxy and election will not preclude the relevant shareholder from attending the Scheme Meeting and 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.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy and election, unless previously recorded by the Company or unless this requirement is waived by the Chairperson of the Scheme Meeting and the General Meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing her/his capacity are produced or have been registered by the Company.
11. Where there are joint holders of ordinary shares:
  - a. any one holder may sign the form of proxy; and
  - b. the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear on the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

12. Form of proxy should be lodged with or mailed to Link Market Services South Africa Proprietary Limited

**If delivered by hand**

**Link Market Services South Africa Proprietary Limited**  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001

**If sent by mail**

**Link Market Services South Africa Proprietary Limited**  
PO Box 4844, Johannesburg, 2000

to be received by no later than 11:00 on 26 October 2016 (or 48 hours before any adjournment of the Scheme Meeting to be held at 11:00 on 28 October 2016 and the General Meeting to be held at 10:00 on 28 October 2016).

13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.

# PRESCIENT LIMITED

## Prescient Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1936/008278/06)  
Share Code: PCT ISIN: ZAE000163531  
("Prescient" or the "Company")

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### FORM OF ELECTION (FOR USE BY CERTIFICATED AND "OWN NAME" DEMATERIALIZED SHAREHOLDERS ONLY)

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#### PART A: FORM OF ELECTION (TO BE COMPLETED BY ALL CERTIFICATED AND "OWN NAME" DEMATERIALIZED SHAREHOLDERS)

If you do not wish to receive the default options as defined in Section C, paragraph 2.1.1 to elect the Prescient Distribution as a *pro rata* return of capital and Section C, paragraph 2.1.2 to elect that the Application of the Prescient Distribution is applied by Prescient to subscribe for Stellar Capital Consideration Shares on your behalf, you **must**, complete this form of election.

By completing this form you confirm that you have full legal capacity to contract and, being in possession of a copy of the circular or being aware of the contents thereof.

By completing the tables below, you irrevocable elect not to receive the default options as defined in Section C, paragraph 2.1.1 to elect the Prescient Distribution as a *pro rata* return of capital and Section C, paragraph 2.1.2 to elect that the Application of the Prescient Distribution is applied by Prescient to subscribe for Stellar Capital Consideration Shares on your behalf:

	Prescient Distribution declared from sources other than Prescient CTC	Prescient Distribution declared as a <i>pro rata</i> return of Prescient CTC and the remainder as a dividend from sources other than Prescient CTC
Election 1 – Election regarding the declaration of the Prescient Distribution (Tick under one heading) <i>(Scheme Participants who make no election or vote against the Scheme and the Scheme becomes operative and unconditional shall be deemed to have elected that the Prescient directors resolve that their Prescient Distribution be distributed as a pro rata return of Prescient CTC and the remainder as a dividend from sources other than Prescient CTC)</i>		

	<p style="text-align: center;"><b>Prescient to settle and make payment of the Prescient Distribution in cash, net of dividends withholding tax (if applicable)*</b></p>	<p style="text-align: center;"><b>Prescient to apply on behalf of a Prescient Shareholder who has so elected, the whole or part of the Prescient Distribution, net of dividends withholding tax (if applicable), to acquire PFH Consideration Shares from Stellar Capital at the same valuation as the PFH Subscription on behalf of such Prescient Shareholders*</b></p>	<p style="text-align: center;"><b>Prescient to apply on behalf of a Prescient Shareholder who has so elected, the whole or part of their Prescient Distribution, net of dividends withholding tax (if applicable) to subscribe for newly issued Stellar Capital Consideration Shares on behalf of such Prescient Shareholders at an issue price equal to the Stellar Capital 30-day VWAP*</b></p>
<p>Election 2 – Election regarding the Application of the Prescient Distribution (insert the number of Prescient Shares that the Prescient Shareholder wishes to apply to the various options, the number of Prescient Shares will determine the Prescient Distribution that the Prescient Shareholder will apply to the various options)</p> <p>If the aggregate number of Stellar Capital Consideration Shares or PFH Consideration Shares deliverable to a Scheme Participant yields a decimal result, then the number of Stellar Capital Consideration Shares or PFH Consideration Shares, as the case may be, to be allocated shall be rounded down to the nearest whole number, so that there are no fractional entitlements and the remainder settled in cash.</p> <p>* must add up to the total number of Prescient Shares held by the Prescient Shareholder, in the event that the Prescient Shares do not aggregate to the number of Prescient Shares held by the Prescient Shareholder, Prescient shall proportionately decrease all the Prescient Shares to ensure the total is equal to the total number of Prescient Shares held by the Prescient Shareholder.</p> <p><i>(Scheme Participants who make no election or vote against the Scheme and the Scheme becomes operative and unconditional shall be deemed to have elected to instruct Prescient to apply their Prescient Distribution on their behalf, net of dividends withholding tax (if applicable) to subscribe for Stellar Capital shares.)</i></p>			

**Notes**

1. Elections made as part of this form are irrevocable and may not be withdrawn once submitted.
2. Scheme Participants should consult their professional advisors in case of doubt as to the correct completion of this form.
3. Persons who have acquired Prescient Shares after the date of the issue of the circular can obtain copies of the form and the circular from the Transfer Secretaries.
4. If the instructions set out in this form and the circular are not fully complied with, Prescient reserves the right to accept such applications in whole or in part at its discretion.
5. The form of election must only be used by Certificated Shareholders or Dematerialised Shareholders with “own name” registration.
6. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
7. Form of election should be lodged with or mailed to Link Market Services South Africa Proprietary Limited.

**If delivered by hand**

13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001

**If sent by mail**

PO Box 4844, Johannesburg, 2000  
to be received by no later than 12:00 on 3 February 2017

8. Any alteration or correction made to this form of election, other than the deletion of alternatives, must be initialled by the signatory/ies.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2016

Signature \_\_\_\_\_

Assisted by (if applicable) \_\_\_\_\_

Address \_\_\_\_\_

Telephone number \_\_\_\_\_

Cell phone number \_\_\_\_\_

**PART B: TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA AND WHOSE SHARES HAVE NOT BEEN RELEASED**

The Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination due to **Certificated Shareholders who are emigrants from the Common Monetary Area** and whose Shares have not been released will be forwarded to the Authorised Dealer controlling his blocked assets and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from the Common Monetary Area must provide the following information:

**Name of Authorised Dealer in South Africa:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Account number:** \_\_\_\_\_

1. If no nomination is made above, the Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination will be held in trust by Prescient until a written instruction is received as to the disposal of such amount.

**PART C: TO BE COMPLETED IN BLOCK CAPITALS BY CERTIFICATED SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS FROM THE COMMON MONETARY AREA WHOSE SHARES HAVE BEEN RELEASED AND WHO WISH TO HAVE THE OFFER CONSIDERATION PAID TO AN AUTHORISED DEALER**

The Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination due to Certificated Shareholders who have registered addresses outside South Africa (other than Certificated Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released) and whose share certificates are endorsed "non-resident" will be posted to the relevant Certificated Shareholder, unless that Certificated Shareholder nominates an Authorised Dealer to which such either the Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination should be paid.

Name of Authorised Dealer in South Africa or alternative instructions: \_\_\_\_\_

Address: \_\_\_\_\_

Account number: \_\_\_\_\_

**Notes**

1. Any alteration to this Election Form must be signed in full and not merely initialled.
2. Emigrants from the Common Monetary Area must, in addition to Part A, also complete Part B. If Part B is not properly completed, the Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination will be held in trust by the Company or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. No interest will accrue or be paid on the Stellar Capital Consideration Shares, PFH Consideration Shares or the Prescient Distribution or a combination so held in trust.
3. All other non-residents of the Common Monetary Area must complete Part C if they wish the Offer Consideration to be paid to an Authorised Dealer in South Africa.
4. No receipt will be issued for documents lodged, unless specifically requested. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
5. If this Election Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Election Form (unless it has already been noted by the Company or its Transfer Secretaries).
6. Where the Certificated Shareholder is a Company, close corporation or other juristic person, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors' or members' or other resolution authorising the signing of this Election Form must be submitted with this Offer Form, unless this requirement is waived by Stellar Capital.
7. Note 7 above does not apply in the case of a form bearing a JSE Broker's stamp.
8. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
9. Where there are joint holders of any Shares, only that holder whose name stands first in the Register in respect of those Shares need to sign this Election Form.
10. Persons who have acquired Prescient Shares after the date of issue of the Circular can obtain copies of the Circular (including this Election Form) from the Transfer Secretaries.
11. In the event of any conflict between this Election Form and the Circular, the Circular shall prevail.
12. Certificated Shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing FORM B: Direct Credit – Bank Account Details attached hereto and returning same to the Transfer Secretaries for the cash payment of the fraction portion.

**FORM B : DIRECT CREDIT – BANK ACCOUNT DETAILS FORM  
FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF PRESCIENT WHO HAVE NOT PREVIOUSLY PROVIDED THE  
TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS**

Full name of registered shareholder	
Identity number of person signing this form	
Your shareholder number (if known)	
E-mail address	
Cell phone number	
Office phone number	
Home phone number	
Fax number	

**REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS  
PLEASE NOTE: We cannot accept banking details in the name of a third party**

Name of bank account holder				
Name of South African Bank				
Name of bank branch	Bank account number			
Bank branch code	Account type	Cheque	Transmission	Savings
<p>I/We hereby authorize <b>Link Market Services South Africa Proprietary Limited</b> and/or Prescient to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.</p>				
Signature of shareholder	Day	Month	Year	
If you are signing this form in a representative capacity, please indicate which capacity (see over)				
<p><b>BANK VERIFICATION</b> I/We confirm that the above information about the abovementioned shareholders account at this Bank is correct</p> <p style="text-align: center;"><b>Signed on behalf of Bank</b></p> <p style="text-align: center;"><i>THIS MUST BE COMPLETED BY YOUR BANK</i></p>		BANK STAMP HERE		

**THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT.  
(COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).**

**PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.**



# PRESCIENT LIMITED

## Prescient Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1936/008278/06)  
(Share Code: PCT ISIN ZAE000163531)  
("Prescient" or the "Company")

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### FORM OF SURRENDER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

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Please read the instructions overleaf. Non-compliance with these instructions may result in the rejection of this form. If you are in any doubt as to how to complete this form, please consult your broker, banker, attorney, accountant or other professional advisor.

#### To: Prescient Limited

c/o Link Market Services South Africa Proprietary Limited  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001

#### PART A – TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS WHO ARE RESIDENTS OF THE COMMON MONETARY AREA

I/We irrevocably and in *rem suam* authorise you to produce the documents that may be necessary to complete the replacement of the Prescient Shares with shares in the new name of PBT Group Limited.

I/We hereby instruct you to forward the replacement certificate(s) to me/us by registered post, at my/our own risk, to the address overleaf and confirm that, where no address is specified, the share certificate(s) will be forwarded to my/our address recorded in the share register of Prescient.

My/our signature(s) on the form of surrender constitutes my/our execution of this instruction.

In terms of the provisions set out in paragraph 4 of the circular to which this form is attached and of which it forms part, I/we surrender and enclose the undermentioned certificates, conditional upon the name change being implemented:

#### Documents of title surrendered

Certificate number(s)	Number of Prescient Shares covered by each certificate
<b>Total</b>	

Title	Stamp and address of agent lodging this form (if any)
Surname	
First name(s)	
Postal address to which new certificates should be sent (if different from the address recorded in the register)	
Signature of shareholder	
Assisted by (if applicable)	
(State full name and capacity)	
Date	
Telephone (Home)	
Telephone (Work)	
Cell phone number	

**PART B – TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS WHO ARE EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA**

Nominated authorised dealer in the case of a shareholder who is an emigrant from or a non-resident of the common monetary area (see note 3 below)

Name of authorised dealer	Account number
Address	
Postal code	

**Notes**

1. A separate form is required for each shareholder.
2. No receipts will be issued for certificates lodged, unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
3. Persons whose registered addresses in the share register are outside the common monetary area, or whose shares are restrictively endorsed, should nominate an authorised dealer in Part B of this form to which this form of surrender is attached and of which it forms part.
4. Any alteration to this form of surrender must be signed in full and not initialled.
5. If this form of surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by the Company or the Transfer Secretaries).
6. Where the shareholder is a Company or a close corporation, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors' or shareholders' resolution authorising the signing of this form of surrender must be submitted if so requested by the Company.
7. Note 6 above does not apply in the event of this form bearing a recognised JSE broker's stamp.
8. Where there are joint holders of any shares in the Company, only that holder whose name stands first in the register in respect of such shares need sign this form of surrender.