



# POSITIVELY IMPACTING LIVES

**2019** NOTICE OF ANNUAL GENERAL  
MEETING AND FORM OF PROXY  
FOR THE YEAR ENDED 30 SEPTEMBER

# NOTICE OF ANNUAL GENERAL MEETING

Oceana Group Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1939/001730/06)  
JSE share code: OCE  
NSX share code: OCG  
ISIN: ZAE000025284  
("the Company")

Notice is hereby given that the 102nd annual general meeting ("Annual General Meeting") of the shareholders of the Company ("Shareholders") for the year ended 30 September 2019 will be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001, on Tuesday, 3 March 2020, at 14:30 to consider the matters, and proposed resolutions (with or without modification), set out below. Registration will start at 13:00. This notice of Annual General Meeting ("Notice") is available in English at the registered office of the Company at 9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town.

## IDENTIFICATION

Section 63(1) of the Companies Act, 71 of 2008, as amended (the "Companies Act") requires that a person wishing to participate in the Annual General Meeting (including any representative or proxy) must provide satisfactory identification (such as identity documents, driver's licenses or passports) before they may attend or participate in the Annual General Meeting.

## MEMORANDUM OF INCORPORATION

Any reference in this Notice to the term "MOI" refers to the Company's existing memorandum of incorporation approved at the annual general meeting held on 14 February 2013, as amended.

The board of directors of the Company ("the Board" or "Directors") has determined that the record date for the purpose of determining which Shareholders are entitled to receive the Notice is Friday, 6 December 2019, and the record date for purposes of determining which Shareholders are entitled to participate in and vote at the Annual General Meeting is Friday, 21 February 2020. The last day to trade in the shares of the Company in order to participate and vote at the Annual General Meeting is Tuesday, 18 February 2020.

Accordingly, only Shareholders who are registered in the register of shareholders of the Company on Friday, 21 February 2020, will be entitled to participate in and vote at the Annual General Meeting.

Each of the ordinary and special resolutions set out below may be proposed and passed, with or without modification, at the Annual General Meeting or at any postponement or adjournment of the Annual General Meeting.

The purpose of the Annual General Meeting is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions set out below:

1. To present the audited consolidated annual financial statements of the Company and its subsidiaries ("the Group") (referred to below as the "AFS"), the directors' report, the audit committee report and the social, ethics and transformation committee report of the Company and the Group for the year ended 30 September 2019.

The AFS, directors' report and the audit committee report form part of the Oceana Group Limited Annual Financial Statements 2019 which can be viewed on the Company's website, details of which are contained in the cross-reference table on page 9 below. A Shareholder who wishes to receive a printed copy of the AFS should contact the Company's transfer secretaries or the company secretary.

A copy of the complete AFS will be presented at the Annual General Meeting.

In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the audit committee report, the directors' report and the social, ethics and transformation committee report at the Annual General Meeting. The directors' report and the audit committee report is set out on pages 6 to 11 of the Oceana Group Limited Audited Annual Financial Statements 2019, available on the Company's website, details of which are contained in the cross-reference table on page 9 below. The social, ethics and transformation committee report is set out on page 61 of the Oceana Group Limited Integrated Report, available on the Company's website, details of which are contained in the cross reference table on page 9 below.

2. In terms of clause 20.3 of the Company's MOI the following directors of the Company, namely:

N Simamane, P de Beyer and S Pather retire by rotation and, being eligible, offer themselves for re-election.

Additionally, the board have appointed L Sennelo, N Pangarker and A Jakoet as directors in the period since the previous Annual General Meeting. In terms of clause 20.12 of the MOI, these directors will cease to hold office at the date of the Annual General Meeting and must be elected. L Sennelo, N Pangarker and A Jakoet are eligible for election to the board and offer themselves for election to the board.

In terms of the JSE Listings Requirements, each listed company is required to have a chief financial officer. As announced by the Company on 5 June 2019, the board has appointed E Bosch as an executive financial director and also as director to the board in order to fill the vacancy of executive financial director. In terms of clause 20.12 of the MOI, E Bosch will cease to be a director on the date of the Annual General Meeting and must be elected by shareholders. E Bosch is eligible for election to the board and offers himself for election to the board.

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

## Ordinary resolution numbers 1.1 to 1.6:

### Re-election and election of Directors

Accordingly, Shareholders are requested to consider and, if deemed fit, elect the directors named above by way of passing the separate ordinary resolutions set out below:

- Ordinary resolution number 1.1:** Election of N Simamane as director  
"Resolved that N Simamane who retires by rotation in terms of clause 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."
- Ordinary resolution number 1.2:** Election of P de Beyer as director  
"Resolved that P de Beyer who retires by rotation in terms of clause 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."
- Ordinary resolution number 1.3:** Election of S Pather as director  
"Resolved that S Pather who retires by rotation in terms of clause 20.3 of the Company's MOI, and, being eligible, be and is hereby re-elected as a director of the Company."

### Reason for and effect of ordinary resolutions numbers 1.1 to 1.3

Each director who retires by rotation is eligible for re-election at the Annual General Meeting in terms of section 61(8)(b) of the Companies Act, read with clause 20.3 of the Company's MOI. The elections will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for election as directors are available on the Company's website, details of which are contained in the cross-reference table on page 9 below.

The board has considered the performance of the directors standing for re-election and supports their re-appointment. In the case of S Pather, N Simamane and P de Beyer, who have served as independent non-executive directors of the Company for more than nine years, the board has, as required by the JSE Listings Requirements and the King Code, considered their independence and is satisfied that they exercise objective judgement and have no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

The effect of passing the above ordinary resolutions will be to elect the persons concerned to the board with effect from the date of the Annual General Meeting.

- Ordinary resolution number 1.4:** Election of L Sennelo as director  
"Resolved that L Sennelo, who was appointed as director by the board of the Company in terms of clause 20.12 of the Company's MOI, be and is hereby elected as a director of the Company."
- Ordinary resolution number 1.5:** Election of N Pangarker as director  
"Resolved that N Pangarker, who was appointed as director by the board of the Company in terms of clause 20.12 of the Company's MOI, be and is hereby elected as director of the Company."
- Ordinary resolution number 1.6:** Election of A Jakoet as director  
"Resolved that A Jakoet, who was appointed as director by the board of the Company in terms of clause 20.12 of the Company's MOI, be and is hereby elected as director of the Company."
- Ordinary resolution number 1.7:** Election of E Bosch as director  
"Resolved that E Bosch, who was appointed as director by the Board of the Company in terms of clause 20.12 of the Company's MOI, be and is hereby elected as director of the Company."

### Reason for and effect of ordinary resolutions numbers 1.4 to 1.7

Each director appointed by the Board in terms of clause 20.12 of the Company's MOI shall cease to hold office as director at the termination of the first shareholders' meeting to be held after their appointment by the Board unless they are elected as director by the shareholders voting at the shareholders meeting.

The elections will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for election as directors are available on the Company's website, details of which are contained in the cross-reference table on page 9 below.

The Board has considered the suitability of the directors standing for election and supports their appointment.

The effect of passing the above ordinary resolutions will be to elect the persons concerned to the Board with effect from the date of the Annual General Meeting.

- To re-appoint Deloitte & Touche as the external auditor of the Company for the ensuing financial year.

**Ordinary resolution number 2:** To re-appoint Deloitte & Touche as external auditor.

"Resolved that Deloitte & Touche is hereby reappointed as the external auditor of the Company for the ensuing financial year until the date of the next annual general meeting".

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

## Reason for and effect of ordinary resolution number 2

In compliance with section 90(1) of the Companies Act, a public company must each year, at its annual general meeting, appoint an external auditor. The audit committee has recommended the reappointment of Deloitte & Touche as external auditor of the Company, after receiving the information detailed in paragraph 22.15(h) of the JSE Listings requirements. Section 94(9) of the Companies Act entitles a company to appoint an external auditor at its annual general meeting, other than one nominated by the audit committee, but if such an external auditor is appointed, the appointment is valid only if the audit committee is satisfied that the proposed auditor is independent of the Company. The effect of passing of this resolution will be to appoint Deloitte & Touche as the Company's external auditor until the date of the next annual general meeting.

4. To elect an audit committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

**Ordinary resolution numbers 3.1 to 3.4:** Election of audit committee

1. **Ordinary resolution number 3.1:** Election of Z Bassa as a member of the audit committee.  
"Resolved that Z Bassa be and is hereby elected as a member of the audit committee of the Company."
2. **Ordinary resolution number 3.2:** Election of Peter de Beyer as a member of the audit committee.  
"Resolved that P de Beyer be and is hereby elected as a member of the audit committee of the Company, subject to him being re-elected as a director of the Company."
3. **Ordinary resolution number 3.3:** Election of S Pather as a member of the audit committee.  
"Resolved that S Pather be and is hereby elected as a member of the audit committee of the Company, subject to him being re-elected as a director of the Company."
4. **Ordinary resolution number 3.4:** Election of A Jakoet as a member of the Audit Committee of the Company, subject to him being elected as a director of the Company

## Reason for and effect of ordinary resolutions numbers 3.1 to 3.4

Section 94(2) of the Companies Act requires a public company, at each annual general meeting, to elect an audit committee comprising at least three members unless (i) the company is a subsidiary of another company that has an audit committee and (ii) the audit committee of that other company will perform the functions required under section 94 on behalf of the subsidiary company.

Section 94(4)(a) of the Companies Act requires, among other things, that each member of the audit committee must be an independent non-executive director of the

Company. Brief curricula vitae of the candidates for election to the audit committee are available on the Company's website, details of which are contained in the cross-reference table on page 9 below.

The board has considered and is satisfied that the directors recommended for election as members of the audit committee meet the requirements of section 94(4) of the Companies Act and King IV and have the necessary financial literacy, skills and experience to execute their duties effectively.

The effect of passing these resolutions will be to elect the above persons as members of the Company's audit committee.

5. Non-binding advisory votes on the remuneration policy and implementation report of the Company:

Non-binding advisory votes 1 and 2: Approval of remuneration policy and implementation report

1. **Non-binding advisory vote 1:** Approval of the remuneration policy.

"Resolved as a non-binding advisory vote that the remuneration policy of the Company be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King IV Code on Governance for South Africa 2016."

2. **Non-binding advisory vote 2:** Approval of the implementation report.

"Resolved as a non-binding advisory vote that the implementation report of the Company be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King IV Code on Governance for South Africa 2016."

## Reason for and effect of non-binding advisory votes 1 and 2

In terms of principle 14 of the King IV Code on Governance for South Africa 2016, the Company's remuneration policy and implementation report should be tabled to the Shareholders for separate non-binding advisory votes at the Annual General Meeting. Accordingly, the Shareholders are requested to endorse the Company's remuneration policy and implementation report, respectively by way of separate non-binding advisory votes in the same manner as an ordinary resolution.

In the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of the voting rights exercised at the Annual General Meeting, the Company will engage with the dissenting shareholders to establish their reasons for voting against the resolution(s) and to appropriately address legitimate and reasonable objections and concerns raised.

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

The remuneration policy and implementation report of the Company are available on the Company's website, details of which are contained in the cross reference table on page 9 below.

6. Financial assistance to related or inter-related companies and others:

**Special resolution number 1:** Financial assistance to related or inter-related companies and others

"In terms of, and subject to, the provisions of section 45 of the Companies Act, the Shareholders hereby approve, as a general approval (subject to the requirements of the Company's MOI, the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") from time to time), at any time and from time to time, during the period of 2 (two) years commencing on the date of this special resolution, the provision by the Company of any direct or indirect financial assistance contemplated in the Companies Act to a related or inter-related company, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related company or corporation and/or to any persons related or inter-related to any such companies, corporations or members, on such terms and conditions as the Board, or any one or more persons authorised by the Board from time to time for such purpose, deems fit, in the form, nature and extent and for the amounts, that the Board, or any 1(one) or more persons authorised by the Board from time to time for such purpose, may determine from time to time."

### Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to obtain approval from the Shareholders so as to enable the Company to provide financial assistance, when the need arises, in accordance with the provisions of section 45 of the Companies Act. The effect of special resolution number 1 is that the Company will have the necessary authority to provide such financial assistance to a related or inter-related company, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related or inter-related company or corporation and/or to any persons related to any such companies, corporations, or members, as contemplated in special resolution number 1 as and when required to do so. The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the Directors are satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

7. **Special Resolution number 2:** Financial assistance for the acquisition of shares in the Company

"In terms of, and subject to, the provisions of section 44 of the Companies Act, the Shareholders hereby approve, as a general approval (subject to the Company's MOI, the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") from time to time), at any time and from time to time, during the period of 2 (two) years commencing on the date of this special resolution, the provision by the Company of any financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related Company, on such terms and conditions as the Board, or any one or more persons authorised by the Board from time to time for such purpose, deems fit, in the form, nature and extent and for the amounts, that the Board, or any 1(one) or more persons authorised by the Board from time to time for such purpose, may determine from time to time."

### Reason for and effect of Special Resolution number 2

The reason for special resolution number 2 is to obtain approval from the Shareholders so as to enable the Company to provide financial assistance, when the need arises, in accordance with the provisions of section 44 of the Companies Act. The effect of special resolution number 2 is that the Company will have the necessary authority to provide such financial assistance to persons (including directors and employees and persons related or inter-related to directors and employees) to acquire shares in the Company by the Company providing a loan, guarantee or any other security in connection with the subscription of any option to acquire securities or securities. The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the Directors are satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

8. Non-executive directors' remuneration

**Special resolution number 3:** Remuneration of non-executive directors

"Resolved that the annual remuneration of the non-executive directors of the Company in their capacity as directors for the period 1 October 2019 to 30 September 2020 as reflected below, be and is hereby approved.

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

The fees quoted are VAT exclusive.

Oceana Group Limited Board of Directors	R (excl. VAT)
Chairperson	783 500
Lead independent director	370 100
Members	303 500
<b>Audit Committee</b>	
Chairperson	208 100
Members	103 800
<b>Remuneration and Nominations Committee</b>	
Chairperson	142 000
Members	85 900
<b>Risk Committee</b>	
Chairperson	148 100
Members	85 900
<b>Social and Ethics Committee</b>	
Chairperson	142 000
Members	85 900

In addition, that non-executive directors be paid an amount of R2 000 (two thousand Rand) per hour (excl. VAT), in respect of work performed by them as required by extraordinary circumstances, provided that payment in respect of any such additional work is approved by the Company's remuneration and nominations committee and the chief executive officer.

### Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 2 is to approve the annual remuneration of the non-executive directors of the Company to be paid for their services in their capacity as directors only and their rate of remuneration for ad hoc services in extraordinary circumstances, in accordance with section 66(9) of the Companies Act, for the year ending 30 September 2020.

### 9. General authority to acquire shares

**Special resolution number 4:** General authority to acquire the Company's shares

"Resolved that the Company hereby approves, as a general approval for purposes of section 48 of the Companies Act, the acquisition by the Company or any of its subsidiaries from time to time, of the issued shares of the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the Company's MOI, the provisions of the Companies Act and the JSE Listings Requirements as presently constituted and as may be amended from time to time, and provided that the Company and its subsidiaries shall only be authorised to make a general repurchase or purchase as the case may be, of shares in the Company on such terms and conditions as the Board may deem fit, provided that the

repurchase complies with the JSE Listings Requirements (as they may be amended from time to time). The current requirements to be met in relation to a repurchase for purposes of the JSE Listings Requirements are as follows:

- 9.1. any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- 9.2. any such acquisition of ordinary shares is authorised by the Company's MOI;
- 9.3. at any point in time, the Company may only appoint one agent to effect any such acquisition(s) on its behalf;
- 9.4. this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- 9.5. a paid press announcement containing full details of the acquisitions will be published not later than 08:30 on the second business day following the date on which the Company and/or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three per cent) of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% (three per cent) in aggregate of the initial number of that class acquired thereafter;
- 9.6. acquisitions by the Company of shares in the share capital of the Company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) of the Company's issued share capital or where such acquisitions relate to acquisition/s of shares in the share capital of the Company by a subsidiary/ies not more than 10% (ten per cent) of the Company's issued share capital, in aggregate, held by or for the benefit of the Company's subsidiaries;
- 9.7. in determining the price at which the Company's shares are acquired by the Company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of the acquisition of such shares by the Company or its subsidiaries;
- 9.8. the Board by resolution has authorised the acquisition, and that the Company and its relevant subsidiaries have passed the solvency and liquidity test, and that since the test was performed there have been no material changes to the financial position of the Group;

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- 9.9. the Company and/or its subsidiaries shall not acquire shares in the Company during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- 9.10. any acquisitions are subject to exchange control approval at that point in time."

## Reason for and effect of special resolution number 4

The reason for this special resolution is to grant the Company a general authority in terms of the Companies Act and the JSE Listings Requirements for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this Annual General Meeting. The effect of the passing of this special resolution will be to authorise the Company or any of its subsidiaries to acquire shares issued by the Company.

The Directors are of the opinion that it would be in the best interests of the Company to extend the current authority for the repurchase of shares by the Company or its subsidiaries, allowing the Company or any of its subsidiaries to be in a position to repurchase or purchase, as the case may be, the shares issued by the Company through the order book of the JSE, should the market conditions and price, as well as the financial position of the Company, justify such action, as determined by the Directors.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the Directors consider that such repurchase or purchase, as the case may be, will be in the best interests of the Company and its Shareholders.

## Statement by the Board regarding special resolution number 4

Pursuant to and in terms of the JSE Listings Requirements, the Board hereby states that:

- a. the intention of the Directors is to utilise the general authority to acquire shares in the Company if at some future date the cash resources of the Company are in excess of its requirements or there are other good grounds for doing so. In this regard the Directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and the interests of the Company;
- b. in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the Directors will only make the acquisition if at the time of the acquisition:
  - the general repurchase has been authorised by the Board by resolution;
  - it reasonably appears that the Company and the Group will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act immediately after completing the general repurchase;
  - the Board has acknowledged that it has applied the solvency and liquidity test and reasonably concluded that the Company and the Group will satisfy the solvency and liquidity test immediately after completing the general repurchase;
  - since the solvency and liquidity test was performed there have been no material changes to the financial position of the Group;
  - the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of the general repurchase;
  - the assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the latest audited financial statements, will be in excess of the liabilities of the Company and the Group for the next 12 (twelve) months after the date of the general repurchase;
  - the issued share capital and reserves of the Company and the Group will be adequate for ordinary business purposes of the Company or any acquiring subsidiary for the next 12 (twelve) months after the date of the general repurchase; and
  - the working capital available to the Company and the Group will be sufficient for ordinary business purposes for the next 12 (twelve) months after the date of the general repurchase

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

For purposes of considering special resolution number 3 and in compliance with paragraph 11.26(b) of the JSE Listings Requirements, the Integrated Report (which is available on the Company's website, details of which are contained in the cross reference table on page 9) provides details of:

- the major Shareholders of the Company on page 6 of the Integrated Report;
- an analysis of Shareholders (including beneficial Shareholders who hold 5% or more of the issued share capital of the Company – and of which the Company is aware, but who are not registered Shareholders) on page 108 of the Integrated Report;
- the authorised and issued shares of the Company in note 20 on page 53 of the AFS which can be found in the Oceana Group Limited Audited Annual Financial Statements 2019, which are available on the Company's website, details of which are contained in the cross reference table on page 9, or requested from the Company's transfer secretaries or company secretary.

## Material changes (paragraph 11.26(b)(iii) of the JSE Listings Requirements):

There have been no material changes to the Company and the Group's financial or trading position (other than as disclosed in the accompanying Integrated Report and AFS) since 30 September 2019.

## Directors' responsibility statement

For purposes of special resolution number 4, the Directors, whose names are given on page 1 of the Integrated Report, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the statement by the Board above contains all information required by law and the JSE Listings Requirements.

10. To authorise the Directors and Company Secretary to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this Notice:

**Ordinary resolution number 4:** Authorisation of directors and company secretary

"Resolved that any director of the Company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1 to 3 and special resolutions 1 to 4 which are passed by the Shareholders at this annual general meeting."

11. To present the social, ethics and transformation committee report, referred to under item 1 above, of the Company and the Group for the year ended 30 September 2019. In terms of regulation 43(5)(c) of the Companies Act, the Company must present the social, ethics and transformation committee report at the Annual General Meeting of the Company. The social, ethics and transformation committee report is set out on page 61 of the Integrated Report which is available on the Company's website, details of which are contained in the cross reference table on page 9.
12. To transact such other business as may be transacted at an annual general meeting.

The percentage of voting rights of the votes, present in person, represented or by proxy at the Annual General Meeting, required for the passing of each special resolution proposed above is at least 75% (seventy five per cent) of the voting rights cast on such resolutions and for the passing of each ordinary resolution proposed above is more than 50% (fifty per cent) of the voting rights cast on such resolution.

As the approval of the remuneration policy and implementation report is not a matter that is required to be resolved or approved by Shareholders, no minimum voting threshold is required for the non-binding advisory vote. Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of the remuneration policy and implementation report is 50% (fifty per cent) of the voting rights plus 1 (one) vote to be cast.

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

## GENERAL INSTRUCTIONS AND INFORMATION

All Shareholders are encouraged to attend, speak and vote at the Annual General Meeting and are entitled to appoint a proxy to attend, participate in and vote at the Annual General Meeting in the place of the Shareholder, or to appoint two or more proxies concurrently. The proxy duly appointed to act on behalf of a Shareholder need not also be a Shareholder.

On a show of hands, every Shareholder present in person or represented shall have 1 (one) vote only. On a poll, every Shareholder present in person, by proxy or represented shall have 1 (one) vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own-name dematerialised Shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the Company's sub-register), then:

- you may attend and vote at the Annual General Meeting; alternatively
- you may appoint a proxy (who need not also be a Shareholder) to represent you at the Annual General Meeting by completing the attached form of proxy and, for administrative reasons, returning it to the office of the Company's transfer secretaries in South Africa not less than 24 hours before the time appointed for the holding of the Annual General Meeting (excluding Saturdays, Sundays and public holidays) or to the Company at the venue of the Annual General Meeting, provided that, should you return such form of proxy to the transfer secretaries in South Africa at the addresses set out in the proxy form (see note 3 to the proxy form) less than 24 hours before the Annual General Meeting, you will also be required to furnish a copy of such form of proxy to the chairman of the Annual General Meeting or his nominee before the appointed proxy exercises any of your Shareholder rights at the Annual General Meeting (or any postponement or adjournment of the Annual General Meeting). Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act. Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the Annual General Meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such Annual General Meeting or any adjournment or postponement thereof.

*Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("Strate")), held through a CSDP or broker*

*and are not registered as an "own name" dematerialised Shareholder, you are not a registered Shareholder of the Company, but appear on the sub-register of the Company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:*

- if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the Annual General Meeting but wish to be represented at the Annual General Meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them. CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/ beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, may vote by either appointing a duly authorised representative to attend and vote at the Annual General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and, for administrative reasons, returning it to the Company's transfer secretaries in South Africa not less than 24 hours before the time appointed for the holding of the Annual General Meeting (excluding Saturdays, Sundays and public holidays) or to the Company at the venue of the Annual General Meeting, provided that, should you return such form of proxy to the Company's transfer secretaries in South Africa at the addresses set out in the proxy form (see note 3 to the proxy form) less than 24 hours before the Annual General Meeting, you will also be required to furnish a copy of such form of proxy to the chairman of the Annual General Meeting or his/her nominee before the appointed proxy exercises any of your Shareholder rights at the Annual General Meeting (or any postponement or adjournment of the Annual General Meeting).

*Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them. Shareholders which are companies and wish to participate in the Annual General Meeting may authorise any person to act as their representative at the Annual General Meeting.*

# NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

## ELECTRONIC PARTICIPATION

Shareholders may participate (but not vote) electronically in the Annual General Meeting, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the Annual General Meeting are required to deliver written notice to the Company at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 (marked for the attention of Adela Fortune, company secretary) or by email to [companysecretary@oceana.co.za](mailto:companysecretary@oceana.co.za) by no later than 09:00 on Friday, 21 February 2020 that they wish to participate via electronic communication at the Annual General Meeting ("Electronic Notice"). Teleconference facilities will be made available for this purpose and may be accessed at the shareholder's cost. In order for the Electronic Notice to be valid it must contain:

- a. if the Shareholder is an individual, a certified copy of his identity document and/or passport;
- b. if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the Annual General Meeting via electronic communication; and
- c. a valid email address, telephone number and/or facsimile number ("the contact address/number").

The Company shall use its reasonable endeavours on or before 09:00 on Monday, 2 March 2020, to notify each Shareholder who has delivered a valid Electronic Notice, at its contact address/number, of the relevant details through which the Shareholder can participate via electronic communication.

Such shareholders, should they wish to have their vote counted at the Annual General Meeting, must, to the extent applicable,

- i. complete and submit the form of proxy; or
- ii. contact their CSDP or broker, in both instances, as set out above.

## CROSS REFERENCE TABLE

The below listed documentation has been incorporated by reference in this Notice. Such documentation shall be available for inspection at no charge and during business hours, at the Company's registered office from the date of this Notice until 3 March 2020. Such documentation can also be accessed on the website as per the links specified below.

Document	Website link
Oceana Group Limited Annual Financial Statements 2019	<a href="http://oceana.co.za/investors/financial-results">http://oceana.co.za/investors/financial-results</a>
Integrated Report	<a href="http://oceana.co.za/investors/integrated-reports">http://oceana.co.za/investors/integrated-reports</a>
Brief curricula vitae of the candidates for election and re-election as directors reports	<a href="http://oceana.co.za/investors/integrated-reports">http://oceana.co.za/investors/integrated-reports</a>
Brief curricula vitae of the candidates for the audit committee	<a href="http://oceana.co.za/investors/integrated-reports">http://oceana.co.za/investors/integrated-reports</a>
Remuneration policy	<a href="http://oceana.co.za/investors/integrated-reports">http://oceana.co.za/investors/integrated-reports</a>

By order of the Board

### **OCEANA GROUP LIMITED**

per: A Fortune  
Company secretary  
13 December 2019

# FORM OF PROXY

## ANNUAL GENERAL MEETING TUESDAY, 3 MARCH 2020

Oceana Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1939/001730/06)

JSE share code:

OCE NSX share code:

OCG ISIN: ZAE000025284

("the Company")

For use at the annual general meeting of shareholders of the Company ("Shareholders") to be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 on Tuesday, 3 March 2020, at 14:30 ("Annual General Meeting") and at any adjournment or postponement thereof.

Not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless they are recorded on the sub-register as "own-name" dematerialised Shareholders ("own-name dematerialised Shareholders"). Generally, a Shareholder will not be an own name dematerialised Shareholder unless the Shareholder has specifically requested the CSDP to record the Shareholder as the holder of the shares in the Shareholder's own name in the Company's sub-register.

Only for use by certificated, own-name dematerialised Shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised shares.

Each Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a Shareholder) to attend, speak and vote in place of that Shareholder at the Annual General Meeting and any adjournment or postponement thereof.

Please note the following:

- the appointment of a proxy will be suspended at any time and to the extent that a Shareholder chooses to act directly and in person in the exercise of his/her rights as a Shareholder at the Annual General Meeting;
- the appointment of the proxy is revocable; and
- a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company; and
- unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the Annual General Meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such Annual General Meeting or any adjournment or postponement thereof.

Please note that any Shareholder of the Company which is a company may authorise any person to act as its representative at the Annual General Meeting. Please also note that section 63(1) of the Companies Act, 71 of 2008, as amended ("Companies Act") requires that persons wishing to participate in the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to a number of votes equal to the number of shares held or represented by them.

My/our proxy may delegate to another person his/her authority to act on my behalf at the Annual General Meeting, provided that my/our proxy:

- may only delegate his/her authority to act on my behalf at the Annual General Meeting to a director of the Company;
- must provide written notification to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the Annual General Meeting by no later than 14:30 on Monday, 2 March 2020, being 24 hours before the Annual General Meeting to be held at 14:30 on Tuesday, 3 March 2020; and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my behalf at the Annual General Meeting.

Refer to notes that follow the resolutions.

To be returned to the transfer secretaries of Oceana Group Limited, namely:

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue

Rosebank, 2196

[proxy@computershare.co.za](mailto:proxy@computershare.co.za)

as soon as possible to be received, for administrative reasons, not later than 24 hours before the Annual General Meeting.

# FORM OF PROXY (CONTINUED)



I/we (full names) \_\_\_\_\_

of (address) \_\_\_\_\_

Telephone: \_\_\_\_\_

Work \_\_\_\_\_

Cell Home \_\_\_\_\_

being a shareholder(s) of the Company, holding \_\_\_\_\_

shares in the Company hereby appoint (refer note 1): \_\_\_\_\_

or failing him/her, \_\_\_\_\_

or failing him/her, \_\_\_\_\_

or failing him/her the chairman of the Annual General Meeting as my/our proxy to act for me/us on my/our behalf at the aforementioned Annual General Meeting of Shareholders which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat with or without modification or amendment, and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting and to vote for or against any motions to postpone or adjourn the Annual General Meeting or to abstain from voting, in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the following instructions:

Insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of shares in respect of which you desire to vote (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

Votes		For	Against	Abstain
Resolution				
1.1	Ordinary resolution number 1.1: Re-election of N Simamane as director			
1.2	Ordinary resolution number 1.2: Re-election of P De Beyer as director			
1.3	Ordinary resolution number 1.3: Re-election of S Pather as director			
1.4	Ordinary resolution number 1.4: Election of L Sennelo as director			
1.5	Ordinary resolution number 1.5: Election of N Pangarker as director			
1.6	Ordinary resolution number 1.6: Election of A Jakoet as director			
1.7	Ordinary resolution number 1.7: Election of E Bosch as director			
2.	Ordinary resolution number 2: Re-appointment of Deloitte & Touche as external auditor			
3.1	Ordinary resolution number 3.1: Election of Z Bassa as audit committee member			
3.2	Ordinary resolution number 3.2: Election of P de Beyer as audit committee member			
3.3	Ordinary resolution number 3.3: Election of S Pather as audit committee member			
3.4	Ordinary resolution number 3.4: Election of A Jakoet as audit committee member			
4.1	Non-binding advisory vote 1: Approval of remuneration policy			
4.2	Non-binding advisory vote 2: Approval of implementation report			
5.	Special resolution number 1: Approve and authorise the provision of financial assistance by the Company to related or inter-related companies and others			
6.	Special resolution number 2: Approve and authorise the provision of financial assistance for the acquisition of shares in the Company or a subsidiary			
7.	Special resolution number 3: Approve the non-executive directors' remuneration in their capacity as directors only			
8.	Special resolution number 4: General approval and authorisation for the acquisition of the Company's shares by the Company or its subsidiaries			
9.	Ordinary resolution number 4: Authorisation of the directors and company secretary contemplated herein			

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Signature \_\_\_\_\_

Assisted by (where applicable) signature \_\_\_\_\_

Name of signatory \_\_\_\_\_ Name of assistant \_\_\_\_\_

Capacity \_\_\_\_\_ Capacity \_\_\_\_\_

(Authority of signatory to be attached if applicable – see note 6)

## FORM OF PROXY (CONTINUED)

### SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT.

Please note that in terms of section 58 of the Companies Act:

- this proxy form must be dated and signed by the Shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a Shareholder, to participate in and speak and vote at the Annual General Meeting on your behalf and may appoint more than one proxy to exercise voting rights attached to shares held by you;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the Company (at the venue of the Annual General Meeting), or (by the time specified in this proxy form) to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a Shareholder at the Annual General Meeting;
- the appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and in person in the exercise of any of your rights as a Shareholder at the Annual General Meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid;
- if this proxy form has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's memorandum of incorporation to be delivered by the Company to you will be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the Annual General Meeting, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the Annual General Meeting or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by you before then on the basis set out above.

The proxy form shall be valid and shall apply to any adjournment or postponement of the Annual General Meeting to which it relates and shall apply to any resolution proposed at the Annual General Meeting to which it relates and to such resolution as modified or amendment including any such modified or amended resolution to be voted on at any adjourned or postponed meeting of the Annual General Meeting to which the proxy relates, unless before the adjourned or postponed meeting the appointment of the proxy is revoked.

Please also read the notes overleaf.

# NOTES RELATING TO FORM OF PROXY

1. A certificated or own-name dematerialised Shareholder or nominee of a CSDP or broker registered as a Shareholder in the Company's sub-register may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the Annual General Meeting", but any such deletion must be initialled by the Shareholder. The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairman shall be deemed to be appointed as the proxy.
2. A Shareholder's instructions to the proxy must be indicated in the appropriate space provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the Shareholder.
3. Proxy forms should be lodged with the Company's transfer secretaries in South Africa, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy should, for administrative reasons, be received by or lodged with the Company's transfer secretaries by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the Annual General Meeting (i.e. by 14:30 on Monday, 2 March 2020) but may be furnished to the chairman of the Annual General Meeting or his, nominee at the time and venue of the Annual General Meeting (or any postponement or adjournment thereof) before your proxy exercises any of your Shareholder rights at such Annual General Meeting.
4. The completion and lodging of this proxy form will not preclude the relevant Shareholder from attending the Annual General Meeting (or any adjournment or postponement thereof) and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy form.
5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of Shareholders, will be accepted.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company's transfer secretaries or waived by the chairman of the Annual General Meeting if he/she is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified.  
CSDPs or brokers registered as Shareholders in the Company's sub-register voting on instructions from owners of shares registered in the Company's sub-register, are requested to identify the owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company's transfer secretaries together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but will only be validly made if such alteration or correction is accepted by the chairman of the Annual General Meeting.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company's transfer secretaries.
9. Certificated Shareholders which are a Company or body corporate may by resolution of their Directors, or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.
10. The chairman of the Annual General Meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
11. If required, additional forms of proxy are available from the Company's transfer secretaries or the registered office of the Company.
12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised Shareholder, then you are not a Shareholder of the Company, but appear as the holder of a beneficial interest on the relevant sub-register of the Company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:

if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively

if you are unable to attend the Annual General Meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the Annual General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the Company's transfer secretaries to be received, for administrative reasons, not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

# Most empowered food producer on the JSE

## Level 1 B-BBEE

BLACK PEOPLE  
REPRESENT

**65%**

SENIOR  
MANAGEMENT

FEMALES  
REPRESENT

**40%**

SENIOR  
MANAGEMENT

**54**   
VESSELS

CUSTOMERS  
IN **46**   
COUNTRIES

**13**   
PRODUCTION  
FACILITIES

**4 845**   
EMPLOYEES

**9**   
COLD  
STORAGE  
FACILITIES

**276 000**  
TONS OF  
PRODUCT SOLD

# SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2019

	Notes	Audited Year ended 30 Sep 2019 R'000	Restated* Audited Year ended 30 Sep 2018 R'000	Change %
<b>Revenue</b>	3	<b>7 647 415</b>	7 657 311	–
Cost of sales		<b>(5 026 779)</b>	(4 823 816)	4
Gross profit		<b>2 620 636</b>	2 833 495	(8)
Sales and distribution expenditure		<b>(433 951)</b>	(500 298)	(13)
Marketing expenditure		<b>(59 045)</b>	(55 184)	7
Overhead expenditure		<b>(976 556)</b>	(1 102 907)	(11)
Net foreign exchange gain		<b>30 093</b>	19 248	56
<b>Operating profit before associate and joint venture loss</b>		<b>1 181 177</b>	1 194 354	(1)
Associate and joint venture loss		<b>(5 852)</b>	(5 447)	7
<b>Operating profit before other operating items</b>		<b>1 175 325</b>	1 188 907	(1)
Other operating (expense)/income items	5	<b>(17 447)</b>	(14 091)	24
<b>Operating profit</b>		<b>1 157 878</b>	1 174 816	(1)
Interest income		<b>33 681</b>	40 767	(17)
Interest expense		<b>(294 547)</b>	(332 532)	(11)
<b>Profit before taxation</b>		<b>897 012</b>	883 051	2
Taxation	6	<b>(248 645)</b>	(810)	
<b>Profit after taxation</b>		<b>648 367</b>	882 241	(27)
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve including hyperinflation effect		<b>292 221</b>	212 903	
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect		<b>16 963</b>	8 214	
Movement on hedge reserve from associate		<b>(3 880)</b>		
Movement on cash flow hedging reserve		<b>(23 951)</b>	24 845	
Income tax related to profit/(loss) recognised in equity		<b>5 276</b>	(5 813)	
<b>Other comprehensive income, net of taxation</b>		<b>286 629</b>	240 149	
<b>Total comprehensive income for the year</b>		<b>934 996</b>	1 122 390	(17)
<b>Profit after taxation attributable to:</b>				
Shareholders of Oceana Group Limited		<b>617 616</b>	857 831	(28)
Non-controlling interests		<b>30 751</b>	24 410	26
		<b>648 367</b>	882 241	(27)
<b>Total comprehensive income attributable to:</b>				
Shareholders of Oceana Group Limited		<b>904 245</b>	1 097 980	(18)
Non-controlling interests		<b>30 751</b>	24 410	26
		<b>934 996</b>	1 122 390	(17)
<b>Earnings per share (cents)</b>				
– Basic		<b>528.3</b>	734.6	(28)
– Diluted		<b>486.1</b>	674.6	(28)

\*The September 2018 revenue, sales and distribution expenditure and overhead expenditure line items have been restated, as a result of the adoption of the new accounting standards. The impact of the restatement is a reclassification between these line items only with all other line items unchanged.

# SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2019

	Notes	Audited 30 Sep 2019 R'000	Audited 30 Sep 2018 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>7 042 312</b>	6 685 126
Property, plant and equipment		1 697 221	1 586 626
Intangible assets		4 886 609	4 617 278
Derivative assets	7		17 398
Deferred taxation		26 567	29 338
Investments and loans		431 915	434 486
<b>Current assets</b>		<b>3 757 887</b>	4 014 355
Inventories		1 852 707	1 467 239
Accounts receivable		1 243 324	1 502 331
Taxation		73 820	29 725
Cash and cash equivalents	11	588 036	1 015 060
<b>Total assets</b>		<b>10 800 199</b>	10 699 481
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>5 121 727</b>	4 721 969
Stated capital		1 193 473	1 189 482
Foreign currency translation reserve		796 213	487 029
Cash flow hedging reserve		(15 671)	6 884
Share-based payment reserve		93 406	90 535
Distributable reserve		2 943 871	2 851 418
Interest of own shareholders		5 011 292	4 625 348
Non-controlling interests		110 435	96 621
<b>Non-current liabilities</b>		<b>3 840 143</b>	3 818 656
Liability for share-based payments		6 044	10 145
Long-term loan	10	3 298 904	3 339 750
Derivative liabilities	8	10 320	
Deferred taxation		524 875	468 761
<b>Current liabilities</b>		<b>1 838 329</b>	2 158 856
Accounts payable and provisions		1 480 502	1 711 483
Current portion – long-term loan		351 258	427 351
Taxation		6 569	20 022
<b>Total equity and liabilities</b>		<b>10 800 199</b>	10 699 481

# SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>Balance at the beginning of the year</b>	<b>4 721 969</b>	3 756 629
Total comprehensive income for the year	<b>934 996</b>	1 122 390
Profit after taxation	<b>648 367</b>	882 241
Movement on foreign currency translation reserve including hyperinflation effect	<b>292 221</b>	212 903
Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect	<b>16 963</b>	8 214
Movement on hedge reserve from associate	<b>(3 880)</b>	
Movement on cash flow hedging reserve	<b>(23 951)</b>	24 845
Income tax related to profit/(loss) recognised in equity	<b>5 276</b>	(5 813)
Decrease in treasury shares held by share trusts	<b>1 335</b>	1 853
Share-based payment expense	<b>12 298</b>	12 456
Share-based payment exercised	<b>(6 771)</b>	(11 017)
Profit on sale of treasury shares	<b>1 677</b>	1 671
Oceana Empowerment Trust dividend distribution	<b>(27 685)</b>	(7 304)
Dividends	<b>(516 092)</b>	(154 709)
<b>Balance at the end of the year</b>	<b>5 121 727</b>	4 721 969
Comprising:		
Stated capital	<b>1 193 473</b>	1 189 482
Foreign currency translation reserve	<b>796 213</b>	487 029
Cash flow hedging reserve	<b>(15 671)</b>	6 884
Share-based payment reserve	<b>93 406</b>	90 535
Distributable reserve	<b>2 943 871</b>	2 851 418
Non-controlling interests	<b>110 435</b>	96 621
<b>Balance at the end of the year</b>	<b>5 121 727</b>	4 721 969

R2.7 million (2018: R3.4 million) was transferred between stated capital and share-based payment reserve during the period.

# SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2019

	Notes	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>Cash flow from operating activities</b>			
Operating profit before associate and joint venture income		1 181 177	1 194 354
Adjustment for non-cash and other items		203 640	297 905
<b>Cash operating profit before working capital changes</b>		1 384 817	1 492 259
Working capital changes		(342 291)	(189 366)
<b>Cash generated from operations</b>		1 042 526	1 302 893
Investment income received		54 789	41 607
Interest paid		(285 447)	(296 845)
Taxation paid		(262 713)	(217 036)
Dividends paid		(543 777)	(162 013)
<b>Net cash inflow from operating activities</b>		5 378	668 606
<b>Cash outflow from investing activities</b>		(217 141)	(180 928)
Replacement capital expenditure		(228 146)	(163 742)
Replacement of intangible assets		(26 033)	(20 469)
Proceeds on disposal of property, plant and equipment		5 554	10 031
Proceeds on disposal of business	9	17 500	8 000
Movement on loans and advances		13 984	(14 748)
<b>Cash outflow from financing activities</b>		(239 721)	(720 152)
Proceeds from issue of share capital		3 012	3 523
Short-term borrowings repaid		(392 782)	(507 589)
Long-term borrowings raised		172 658	
Equity-settled share-based payment		(6 771)	(11 017)
Cost associated with debt refinancing	10	(15 838)	(2 170)
Settlement of put option			(202 899)
<b>Net decrease in cash and cash equivalents</b>		(451 484)	(232 474)
<b>Net cash and cash equivalents at the beginning of the year</b>		1 015 060	1 222 040
Effect of exchange rate changes		24 460	25 494
<b>Net cash and cash equivalents at the end of the year</b>	11	588 036	1 015 060

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2019

## 1. BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act, 71 of 2008, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies and methods of computation applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with those accounting policies and methods of computation applied in the preparation of the previous consolidated annual financial statements except for the adoption of new standards effective during the current financial year.

The consolidated financial statements and summarised consolidated financial statement information was prepared under the supervision of the chief financial officer, E Bosch CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2019. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. These preliminary summarised financial statements have been audited by the company's auditors who have issued an unmodified opinion. Copies of the respective audit reports and the full consolidated financial statements are available for inspection at the company's registered office. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the company's website or from the registered office of the company.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

## 2. ADOPTION OF NEW ACCOUNTING STANDARDS

### 2.1 EFFECT OF ADOPTING IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS

The standard establishes a five-step model that will apply to revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The group has adopted IFRS 15 and applied it retrospectively to each prior reporting period presented. This resulted in the restatement of the comparative period in the statement of comprehensive income.

Revenue is recognised when the group satisfies performance obligations, transfers control of fish related goods and renders cold storage and logistics services, consistent with the application of IFRS 15.

IFRS 15 requires the group to estimate the value of the Bulk and distribution allowances and recognise the amount against revenue, this was disclosed under selling and distribution under IAS 18.

In terms of IFRS 15, incidental income from customers has been reclassified in the prior period from overheads to revenue.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

## 2. ADOPTION OF NEW ACCOUNTING STANDARDS (CONTINUED)

### 2.1 EFFECT OF ADOPTING IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The impact of the restatement on the statement of comprehensive income is a reclassification between revenue, sales and distribution expenditure and overhead expenditure with all other line items unchanged. The effect of the restatement is disclosed below:

	As previously reported year ended 30 Sep 2018 R'000	IFRS 15 restatement 30 Sep 2018 R'000	Restated year ended 30 Sep 2018 R'000
Revenue	7 732 692	(75 381)	7 657 311
Cost of sales	(4 823 816)		(4 823 816)
Gross profit	2 908 876	(75 381)	2 833 495
Sales and distribution expenditure	(610 553)	110 255	(500 298)
Marketing expenditure	(55 184)		(55 184)
Overhead expenditure	(1 068 033)	(34 874)	(1 102 907)
Net foreign exchange gain	19 248		19 248
Operating profit before associate and joint venture loss	1 194 354		1 194 354

### 2.2 EFFECT OF ADOPTING IFRS 9: FINANCIAL INSTRUMENTS

This standard introduces new requirements for classification and measurement, impairment and hedge accounting. It also introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics.

The group has assessed the business model test and cash flow characteristics that apply to financial assets and has classified financial instruments into the appropriate IFRS 9 categories. There has been no change to the group's financial assets and financial liabilities.

The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. Trade and other receivables do not have a significant financing component as the average credit terms are 30 – 45 days, this will therefore fall within the simplified model. For loans and advances, the group applies the general approach. IFRS 9 requires an allowance to be raised for the full lifetime expected credit loss, on initial recognition, based on history of default and claims. Expected credit losses are reassessed at each reporting date. An assessment has been conducted on provisions carried under IAS 39 as at September 2018 and concluded that there are no material differences to expected credit losses to be recognised under IFRS 9. Accordingly, no restatement to retained earnings is considered necessary.

	Audited Year ended 30 Sep 2019 R'000	Restated Audited Year ended 30 Sep 2018 R'000
<b>3. REVENUE</b>		
The main categories of revenue are set out below:		
<b>Sale of goods</b>		
Canned fish and fishmeal (Africa)	4 032 172	3 944 346
Fishmeal and fish oil (USA)	1 721 044	1 789 118
Horse mackerel, hake and other	1 504 466	1 467 577
<b>Rendering of services</b>		
Commercial cold storage and logistics	371 452	421 396
<b>Other non-trade revenue</b>		
Canned fish and fishmeal (Africa)	6 368	15 761
Horse mackerel and hake	9 970	7 290
Commercial cold storage and logistics	1 943	11 823
	<b>7 647 415</b>	<b>7 657 311</b>

Note:

<sup>1</sup> Other non-trade revenue includes commission, quota fees received and rental income.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

Audited 2019 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake and other R'000	Commercial cold storage and logistics R'000	Financing <sup>3</sup> R'000	Total R'000	
<b>4. SEGMENTAL RESULTS</b>							
<b>Operating results</b>							
<b>Revenue</b>	4 038 540	1 721 044	1 514 436	373 395		7 647 415	
Operating profit before other operating items	450 591	359 102	303 172	62 460		1 175 325	
Other operating items	(14 293)		(1 108)	(2 046)		(17 447)	
<b>Operating profit</b>	436 298	359 102	302 064	60 414		1 157 878	
Interest income	12 579	13 362	7 459	281		33 681	
Interest expense	(207 830)	(80 435)	(5 970)	(312)		(294 547)	
<b>Profit before taxation</b>	241 047	292 029	303 553	60 383		897 012	
Taxation	(77 471)	(56 151)	(87 034)	(27 989)		(248 645)	
<b>Profit after tax for the year</b>	163 576	235 878	216 519	32 394		648 367	
The above profit for the year include the following:							
Depreciation and amortisation	35 634	95 258	65 250	14 251		210 393	
<b>Statement of financial position</b>							
<b>Total assets</b>	2 429 689	6 982 621	579 020	220 846	588 022	10 800 198	
<b>Total liabilities</b>	951 874	625 703	346 375	92 635	3 661 884	5 678 471	
The above amounts of assets and liabilities includes the following:							
Interest in associate and joint ventures	72 731	229 323	1			302 055	
<b>2019 Region</b>	<b>South Africa and Namibia R'000</b>	<b>Other Africa R'000</b>	<b>North America R'000</b>	<b>Europe R'000</b>	<b>Far East R'000</b>	<b>Other R'000</b>	<b>Total R'000</b>
<b>Revenue<sup>1</sup></b>	4 192 618	742 597	1 307 645	1 179 074	200 465	25 016	7 647 415
<b>Non-current assets<sup>2</sup></b>	880 117		5 703 713				6 583 830

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

## 4. SEGMENTAL RESULTS (CONTINUED)

<b>Audited 2018 Segment</b>	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake and other R'000	Commercial cold storage and logistics R'000	Financing <sup>3</sup> R'000	Total R'000
<b>Operating results</b>						
<b>Restated Revenue</b>	3 960 107	1 789 118	1 474 867	433 219		7 657 311
Operating profit before other operating items	436 710	392 638	287 827	71 732		1 188 907
Other operating items		(25 588)	3 497	8 000		(14 091)
<b>Operating profit</b>	436 710	367 050	291 324	79 732		1 174 816
Interest income	32 275	1 544	6 942	6		40 767
Interest expense	(226 241)	(99 814)	(5 942)	(535)		(332 532)
<b>Profit before taxation</b>	242 744	268 780	292 324	79 203		883 051
Taxation	(68 937)	194 012	(95 338)	(30 547)		(810)
<b>Profit after tax for the year</b>	173 807	462 792	196 986	48 656		882 241
The above profit for the year includes the following:						
Depreciation and amortisation	62 465	95 828	88 450	21 963		268 706
<b>Statement of financial position</b>						
<b>Total assets</b>	2 242 490	6 476 246	561 678	281 922	1 137 145	10 699 481
<b>Total liabilities</b>	951 999	753 516	388 836	103 592	3 779 569	5 977 512
The above amounts of assets and liabilities include the following:						
Interest in associate and joint ventures	89 258	222 733	1			311 991

2018 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
<b>Restated Revenue<sup>1</sup></b>	3 866 735	778 539	1 199 893	1 161 660	432 238	218 246	7 657 311
<b>Non-current assets<sup>2</sup></b>	849 191		5 354 713				6 203 904

The segments have been identified based on both the geographic region of primary group operations and the different products sold and services rendered by the group.

Revenue excludes the following inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation:

Canned fish and fishmeal R1.3 billion (2018: R1.1 billion), horse mackerel, hake and other R44.0 million (2018: R33.2 million) and commercial cold storage and logistics R88.7 million (2018: R78.8 million).

Notes:

<sup>1</sup> Revenue per region discloses the region in which product is sold and services rendered.

<sup>2</sup> Non-current asset per region discloses where the subsidiary is located, includes property, plant and equipment and intangible assets.

<sup>3</sup> Financing includes cash and cash equivalents and loans receivable and payable.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>5. OTHER OPERATING (EXPENSE)/INCOME ITEMS</b>		
Transaction costs <sup>1</sup>		(25 588)
Profit on disposal of fishing vessel	3 303	3 497
Impairment of loans <sup>2</sup>	(17 596)	
Impairment of property, plant and equipment	(1 108)	
Impairment of goodwill	(1 276)	
(Loss)/profit on disposal of business <sup>3</sup>	(770)	8 000
	<b>(17 447)</b>	<b>(14 091)</b>

## Notes:

<sup>1</sup> Transaction costs in the prior period relates to the extension of the Westbank Fishing Limited Liability Company ("Westbank") operating agreement and subsequent change of the Westbank majority shareholding.

<sup>2</sup> Loans impaired pertains to loans with Group's African Fishmeal and oil joint ventures Oceana Boa Pesca and Oceana Pesche International. The loans exhibited increased credit risk and are deemed to be credit impaired following management's decision to terminate the operations on the back of the decline in the sardinella resource in Angola.

<sup>3</sup> The R0.8 million relates to the loss on sale of the CCS V&A cold store assets. The R8.0 million in the prior period relates to profit on sale of the CCS Linebooker transport business.

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature and are identified by management as warranting separate disclosure are disclosed under other operating items in the statement of comprehensive income. These comprise profits or losses on disposal and scrapping of property, plant and equipment, intangible assets and non-current assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

## 6. TAXATION

<b>Current taxation</b>	<b>208 586</b>	240 950
Current year	222 023	254 820
Capital gains tax		1 794
Withholding tax	9 786	9 943
Adjustments in respect of previous years	(23 223)	(25 607)
<b>Deferred taxation</b>	<b>40 059</b>	(240 140)
Current year	37 306	(1 271)
Adjustments in respect of previous years	2 753	(1 049)
Adjustments in respect of change in tax rate <sup>1</sup>		(237 820)
	<b>248 645</b>	<b>810</b>

## Notes:

<sup>1</sup> The adjustment in the prior year relates to a USD18.6 million release in Daybrook Fisheries Incorporated following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>7. DERIVATIVE ASSETS</b>		
Non-current		
<b>Interest rate caps and swaps held as hedging instruments</b>		
Opening balance	17 398	1 837
Fair value adjustments recognised in profit or loss (ineffective portion)	(303)	(5 331)
Fair value adjustments recognised in other comprehensive income (effective portion)	(19 699)	20 139
Reclassified from derivative liability	2 102	207
Foreign currency translation adjustment	502	546
<b>Closing balance</b>		17 398
Interest rate caps		586
Interest rate swaps		16 812
		17 398

Interest rate caps and swaps recorded in the cash flow hedging reserve, derivative assets and derivative liabilities are regarded as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of interest rate caps and swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Interest rate caps were executed in 2016, with a maturity date of 20 July 2018 and 20 July 2020. Interest rate caps were designated as cash flow hedges and executed to hedge the interest that is payable under various debt facilities with principal values of R1 810 million. The amount of the principal is R390 million (2018: R390 million). Gains or losses on interest rate caps held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified to profit or loss in the same period that the hedge cash flows affect profit or loss. The interest rate swap and caps was reclassified to derivative liability during the year.

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>8. DERIVATIVE LIABILITIES</b>		
Non-current		
Opening balance		6 283
Loss/(gain) recognised in other comprehensive income	7 803	(6 148)
Transferred from profit and loss	203	
Reclassified from/(to) derivative asset	2 102	(207)
Foreign currency translation adjustment	212	72
<b>Closing balance</b>	10 320	
Interest rate caps	118	
Interest rate swaps	10 202	
Current		
Opening balance		164 181
Loss recognised in profit or loss		34 577
Put option exercised		(202 899)
Foreign currency translation adjustment		4 141
<b>Closing balance</b>		

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

## 8. DERIVATIVE LIABILITIES (CONTINUED)

The notional principal amount of the US interest rate swaps at 30 September 2019 amounts to R1 712 million (2018: R1 471 million). This comprises hedges on the term debt of R1 712 million (2018: R1 471 million). The swap is to hedge the interest that is payable under the debt facility. An interest rate swap was executed on 9 March 2017 with an effective date of 31 August 2018 and a maturity date of 22 July 2020 at a swap fixed rate of 2.175%. The interest rate swap was reclassified from derivative assets during the year.

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022. The notional principle amounts to R920 million, this comprises term debt of R482 million at a swap rate of between 7.05% and 7.09%.

Gains and losses on the interest rate swaps held as a hedging instrument in a designated and effective hedging relationship are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss. During the year, a fair value loss of R7.8 million (2018: gain R6.1 million) was recognised in other comprehensive income.

The carrying amounts of all other financial assets and liabilities approximate their fair values at year end.

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>9. DISPOSAL OF BUSINESSES</b>		
<b>9.1 V&amp;A Cold Storage (CCS)</b>		
The group disposed of the V&A cold store assets within the commercial cold storage and logistics segment on the 11 January 2019 and 28 February 2019.		
<b>Assets disposed</b>		
Property, plant and equipment	8 270	
Release of goodwill	10 000	
	<b>18 270</b>	
<b>Proceeds received</b>	17 500	
Net loss on disposal of non-current assets held for sale	(770)	
<b>9.2 Linebooker transport business (CCS)</b>		
In the prior year group disposed of the commercial cold storage Linebooker transport business.		
<b>Proceeds received</b>		8 000
Net profit on disposal of business		8 000
<b>10. DEBT REFINANCED</b>		
During the year the US term facility was refinanced and increased to USD118million. The facility has been structured as amortisation payment facility repayable in quarterly instalments with the final payment due on 30 September 2024. During the prior year a R1 420.0 million term facility was refinanced in terms of which R500.0 million was restructured as an amortisation payment facility maturing in 5 years, R738.0 million was restructured as a bullet payment facility maturing in 4 years and R182.0 million as a bullet payment facility maturing in 3 years. Debt refinancing cost of R15.8 million (2018: R2.2 million) was incurred.		
<b>11. NET CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	<b>588 036</b>	1 015 060
In the prior year Daybrook Fisheries Incorporated ("Daybrook") received \$17.3 million (net of legal costs) in the year following a Federal Court settlement in relation to Daybrook's 2006 Deepwater Horizon oil spill law suit. In terms of the 2015 stock purchase agreement entered into with the selling Daybrook stockholders, all risks and rewards relating to the Deepwater Horizon oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received, net of any taxation and legal costs, are accordingly due and payable to the Stockholder Representative on behalf of the selling shareholders. At 30 September 2018, these restricted funds (R246.4 million) were held in cash and cash equivalents with a corresponding liability in accounts payable as the funds had not yet been remitted to the Stockholder Representative. The funds were settled in full to the Stockholder Representative on 4 February 2019.		

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

	Audited Year ended 30 Sep 2019 R'000	Audited Year ended 30 Sep 2018 R'000
<b>12. DETERMINATION OF HEADLINE EARNINGS</b>		
Profit after taxation attributable to shareholders of Oceana Group Limited	617 616	857 831
Adjusted for:		
Impairment of capital loans	7 887	
Impairment of property, plant and equipment and intangibles	2 384	
Headline earnings adjustments – joint venture	7 903	(72)
Loss/(profit) on disposal of business	770	(8 000)
Net profit on disposal of property, plant and equipment and intangible assets	(3 040)	(3 491)
Total non-controlling interest on above	74	(3)
Total tax effect of adjustments	2 772	2 793
<b>Headline earnings for the year</b>	<b>636 366</b>	<b>849 058</b>
<b>Headline earnings per share (cents)</b>		
– Basic	544.3	727.1
– Diluted	500.9	667.7
<b>13. DIVIDENDS</b>		
Estimated dividends declared after reporting date	280 710	355 300
Dividends per share (cents)	363.0	416.0
Number of shares in issue net of treasury shares	116 962	116 875
<b>14. SUPPLEMENTARY INFORMATION</b>		
Amortisation	39 443	59 315
Depreciation	170 950	209 391
Operating lease charges	105 821	110 400
Share-based expenses	10 891	9 958
Cash-settled compensation scheme	(1 407)	(2 498)
Equity-settled compensation scheme	12 298	12 456
Capital expenditure	228 146	163 742
Replacement	228 146	163 742
Budgeted capital commitments	375 471	318 086
Contracted	26 822	23 218
Not contracted	348 649	294 868

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for the year ended September 2019

	Audited number of shares '000	Audited number of shares '000
<b>15. ELIMINATION OF TREASURY SHARES</b>		
Weighted average number of shares in issue	135 526	135 526
Less: Weighted average treasury shares held by share trusts	(13 522)	(13 654)
Less: Weighted average treasury shares held by subsidiary company	(5 094)	(5 094)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	116 910	116 778
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	127 043	127 164

## 16. RELATED-PARTY TRANSACTIONS

In the prior year Makimry Patronus Limited Liability Company ("Makimry"), a U.S. company majority owned and controlled by Mr Francois Kuttel (the former Chief Executive Officer of Oceana Group Limited ("Oceana")), acquired a 75% interest in Westbank Fishing Limited Liability Company (a company 25% owned by Daybrook Fisheries Incorporated). The requisite majority of Oceana shareholders were required to vote in favour of the arrangement in terms of section 10.1(a) of the Listings Requirements of the JSE due to the deemed related party nature of certain of the agreements. The respective resolutions were passed by the requisite majority of shareholders present in person or by proxy at the general meeting held on 13 April 2018. Oceana received dispensation from the JSE for the requirement to obtain a fairness opinion in terms of section 10 of the Listings Requirements.

The group entered into various other transactions with related parties in the ordinary course of business, on market related terms. The nature of these related-party transactions is consistent with those reported previously.

## 17. CONTINGENT LIABILITIES AND GUARANTEES

The group has given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company.

During the prior reporting period a customer of the Commercial Cold Storage Proprietary Limited sent a letter of demand for alleged damages suffered to their products. The amount claimed in the letter of demand is R24.4 million. The claim was settled out of court on commercially favourable terms in the current reporting period.

## 18. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that may have an impact on the group's reported financial position at 30 September 2019 or require separate disclosure in these financial statements.

## COMMENTS

### FINANCIAL RESULTS

The group has delivered a solid operating performance for the year in the face of tough global economic conditions and environmental headwinds. Strong demand for canned fish, horse mackerel and hake resulted in good performance in these segments while reduced landings due to adverse weather conditions curtailed the performance of our fishmeal and fish oil segment in both South Africa and the United States of America (USA).

Group revenue remained flat for the year at R7 647 million (2018: R7 657 million). Revenue from Africa operations increased by 1.0%, underpinned by volume growth of 8% in canned fish and 8% increase in horse mackerel and hake pricing. This growth was negatively impacted by a decline in South African fishmeal and oil revenues due to lower landings. The Daybrook operations in the USA delivered a 3.8% decline in revenue impacted by a slow start to the 2019 fishing season mitigated by improved pricing for the year. US Dollar revenue for 2019 was converted at an average exchange rate of R14.60/USD compared to R13.42/USD for the comparative year.

Group operating profit before other operating items decreased by 1.1% to R1 175 million (2018: R1 189 million). Africa operations delivered a 2.5% increase in operating profit before other operating items arising from the volume and price growth in canned fish, growth in pricing for horse mackerel and hake, the impact of operational efficiencies on production costs together with a favourable movement in net foreign exchange gains from R19 million in 2018 to R30 million this year.

Total costs remained flat year on year as a direct result of focused initiatives to lower our cost base. Improved production efficiencies in our canneries and fishmeal operations, increased procurement savings and the effects of centralisation of key services have delivered strong returns for the year.

Other operating expenses of R17 million (2018: R14 million) relate mainly to impairment of loans and assets in relation to the Angolan Operations that have been mothballed (R20 million) offset by profit on disposal of assets.

Net interest expense related to finance costs on facilities and long-term borrowings has reduced by 10.6 % for the year to R261 million (2018: R292 million). The average interest rate for all debt is currently 6.8% (2018: 7.2%).

Group profit before taxation increased by 1.6% to R897 million (2018: R883 million).

### TAXATION

Taxation expense of R248 million for the year is materially higher than the comparative year (2018: R0.8 million). The 2018 financial year included a once-off release of deferred taxation of USD18.6 million (R238 million) following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%, effective after 31 December 2018.

### HEADLINE EARNINGS AND DIVIDEND

Primarily as a result of the once-off deferred tax adjustment, headline earnings for the year decreased by 25.1% compared to the prior year. Excluding the effect of the once-off deferred tax adjustment in the prior year, headline earnings increased by 4.1%.

A final dividend of 240 cents (2018: 304 cents) per share has been declared which together with the interim dividend of 123 cents (2018: 112 cents) per share brings the total dividend for the year to 363 cents (2018: 416 cents) per share.

### FINANCIAL POSITION AND CASH FLOW

Notwithstanding the year-on-year decline in cash generated from operations to R1 042 million (2018: R1 303 million) overall cash performance remained relatively strong. At year-end the group had positive cash balances of R588 million (2018: R1 015 million) of which R515 million (2018: R681 million) is held in dollar denominated accounts including USD26 million (R395 million) being held in the USA.

In September we refinanced and increased our US term facility to USD118 million (2018: USD113 million). The facility was refinanced as a 5 year, amortisation facility with final settlement due on 30 September 2024. Improved terms and conditions were negotiated, and the refinance also provided a more favourable pricing margin range.

## COMMENTS (CONTINUED)

### REVIEW OF OPERATIONS

#### **Canned fish and fishmeal (Africa)**

Due to strong demand and favourable pricing, sales volumes in the canned fish business increased to 9.5 million cartons (2018: 8.8 million cartons). This was achieved primarily in the Southern African market which consumes approximately 96% of all volumes and achieved 8% volume growth for the year.

Due to a continued reduction in the SA pilchard Total Allowable Catch (TAC) and a moratorium on pilchard fishing in Namibia, canned fish production was primarily driven by supply of imported frozen fish from various geographies. For the year under review we procured 106 224 tons of frozen fish (2018: 103 490 tons) resulting in consistent supply to own and third-party canneries.

Driving cannery and supply chain efficiencies continues to be a focal point, resulting in increased throughput, improved labour productivity and overall cost containment. These production savings mitigated the impact of the weaker exchange rate on the cost of imported frozen fish.

Operating performance in the canned fish segment increased significantly.

Extended winter weather patterns affected landings of industrial fish to the group's fishmeal plants in South Africa resulting in a volume decline of 20% on the prior year. In Angola the continued challenging catch rates, location of the resource and difficult operating environment resulted in a decision to mothball the operation for the 2019 fishing season resulting in impairment which affected profitability for the year.

#### **Fishmeal and fish oil (USA)**

As a result of historically high rainfalls in the US Mid-West prior to the start of the fishing season, fresh-water levels in our traditional fishing grounds were substantially higher than normal, negatively impacting early landings of Gulf Menhaden. A strong mid-season aided by good plant capacity resulted in an improvement in overall landings to 685 million fish for the season, in line with the five year average and well above our original investment case assumptions. These volumes are, however, down by 14% on the prior year.

An increase in capital investment in the 2019 closed season has resulted in significant improvements in plant capacity and volume throughput. During this season the highest recorded week improved by 7% on the prior year and overall production capacity has increased by 20%.

Daybrook production of 51 605 tons fishmeal (2018: 63 966 tons) and 16 746 tons fish oil (2018: 23 650 tons) for the year resulted in a combined production yield of 33.4% (2018: 34.8%). Oil yields at 8.2% (2018: 9.5%) have not yet restored to historical averages due to the impact of higher water levels on access to larger fish.

Sales prices achieved by Daybrook have improved over the year with our US petfood strategy, yielding improved margins and reduced exposure to price volatility. Global demand remains positive over the longer term but has been suppressed in the current year due to the negative impacts on pork farming consumption caused by the Swine Fever outbreak in China.

The overall positive operational performance of Daybrook was muted by the reduction in landed volumes. As a result revenue declined by 4% to R1 721 million (2018: R1 789 million) and operating profit decreased to R359 million (2018: R367 million).

During the year the Gulf Menhaden Fishery received the Marine Stewardship Council (MSC) certification in acknowledgement of the sound management and sustainability of the Gulf Menhaden resource.

Although Daybrook has had a challenging year from a volume point of view the business continues to deliver healthy operating margins with consistent cash generation.

## COMMENTS (CONTINUED)

### Horse mackerel, hake, lobster and squid

Our horse mackerel segment delivered good growth for the year aided by strong demand and the positive impact of a weaker exchange rate.

In South Africa, the Precautionary Maximum Catch Limit (PMCL) for targeted catch of horse mackerel increased by 9% to 27 760 tons (2018: 25 500 tons). Quota available to Oceana through own and joint venture allocations remained in line with 2018. Subsequent to the outcomes of appeal process published in terms of the 2016 SA Horse Mackerel Fishing Rights Application Process (FRAP), Oceana together with other industry players has decided to challenge the quantum allocation methodology.

Landings of South African Horse Mackerel were impacted by poor winter catch rates and fewer available fishing days due to scheduled dry-dock repairs. Demand remains strong reducing the impact on performance of lower sales volumes.

Our hake segment delivered a stellar performance for the year. The 2019 hake offshore TAC increased by 10% to 122 423 tons (2018: 111 294 tons). Revenue and operating profit increased significantly driven by improved vessel utilisation, larger size mix and strong demand for MSC certified hake further supported by a weaker exchange rate.

The 2019 TAC for West Coast Rock Lobster (WCRL) reduced substantially to 1 084 tons (2018:1 924 tons), in response we reduced the number of fishing vessels and operational sites and actively pursued third party quota for catching, processing and marketing. The full 2019 quota allocation was harvested this year.

The squid business reported a significant decline in catch levels this year *versus* the previous four consecutive strong years' negatively impacting operational efficiencies. Sales pricing remained favourable and benefited from a weaker exchange rate.

### Commercial cold storage and logistics (CCS)

The CCS business played a critical role in enabling the supply of frozen fish to Lucky Star resulting in higher occupancies in the Western Cape region but reduced third party sales, impacting margins for the segment.

On an overall basis the business continued to experience the effect of a subdued local economy, low occupancy levels in Walvis Bay, and the closure of Angolan operations following increased government import duties.

### DIRECTORATE CHANGES

Mr Aboubakar Jakoet was appointed as a non-executive director with effect from 14 November 2019. The board wishes Aboubakar well in his new role. Aboubakar is a qualified Chartered Accountant with vast experience in the private sectors, spanning over many years. He has diverse professional experience in auditing, finance management, corporate governance and strategy development and implementation.

He serves as a Non-Executive Director ("NED") for the Pick n Pay Stores Limited.

### PROSPECTS

In our canned fish segment the focus will remain on driving production efficiencies while continuing to seek volume growth, by maintaining supply and affordability.

In the US and Africa fishmeal and oil businesses our focus will be on ensuring improved utilisation of fleet and land based facilities to help improve catch rates, while increasing sales pricing through a global sales and distribution strategy. In the US specifically, during the course of next season, we expect to add an additional vessel and commence fishing on weekends. We maintain our demand assumptions for fishmeal and oil over the longer term.

In South Africa and Namibia there will be continued engagement with regulators in both countries to ensure that ongoing transformation activities are sufficiently aligned with government expectations. Oceana has recently received the accolade of most empowered food producer on the JSE. As a level 1 B-BBEE contributor we are proud of this achievement which will help further enhance our credentials for strong quota renewal in the 2021 FRAP process. In Namibia we have recently concluded the sale of 30% of our cold storage facility to our Namibian staff trust in a transformational transaction for the Namibian fishing sector.

On 8th September 2019 the Ministerial Cabinet took a decision to extend the fishing rights allocation process (FRAP 2020) in the 12 commercial fishing sectors, which includes the SA small pelagic, Hake Deep Sea trawl, Squid and South Coast Rock Lobster sectors by a year to 31 December 2021. Information relating to the above is expected to be communicated to the industry in due course.

Any forward-looking statements set out in this announcement have not been reviewed or reported on by the auditors.

On behalf of the board

MA Brey  
Chairman (non-executive)

I Soomra  
Chief executive officer

Cape Town

14 November 2019

## COMMENTS (CONTINUED)

By order of the board

### CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 151. A gross final dividend amounting to 240 cents per share, in respect of the year ended 30 September 2019, was declared on Thursday, 14 November 2019, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 20% will result in a net dividend amounting to 192 cents per share.

The number of ordinary shares in issue at the date of this declaration is 135 526 154. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

Last day to trade <i>cum</i> dividend	Tuesday, 17 December 2019
Commence trading <i>ex</i> dividend	Wednesday, 18 December 2019
Record date	Friday, 20 December 2019
Dividend payable	Monday, 23 December 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 December 2019, and Friday, 20 December 2019, both dates inclusive.

A Fortune  
Company secretary  
14 November 2019

## DIRECTORATE AND STATUTORY INFORMATION

<b>Directors:</b>	MA Brey (chairman), I Soomra* (chief executive officer), E Bosch* (chief financial officer) ZBM Bassa, PG de Beyer, S Pather, NA Pangarker, L Sennelo, NV Simamane, A Jakoet (*Executive)
<b>Registered Office:</b>	9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001
<b>Transfer Secretaries:</b>	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107)
<b>Sponsor – South Africa:</b>	The Standard Bank of South Africa Limited
<b>Sponsor – Namibia:</b>	Old Mutual Investment Services (Namibia) Proprietary Limited
<b>Auditors:</b>	Deloitte & Touche
<b>Company Secretary:</b>	A Fortune
<b>JSE share code:</b>	OCE
<b>NSX share code:</b>	OCG
<b>ISIN:</b>	ZAE000025284

