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CAPEVIN

HOLDINGS LIMITED

ANNUAL REPORT 2016

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*These summary consolidated annual financial statements have been compiled by the Company's appointed manager, Remgro Management Services Limited, under the supervision of the Financial Director, P R Louw CA(SA). PricewaterhouseCoopers Inc. has audited these annual financial statements in accordance with the Companies Act (No. 71 of 2008), as amended, and their audit report is set out on page 11.*

*The complete audited consolidated annual financial statements in respect of the year under review are available on the Company's website at [www.capevin.com](http://www.capevin.com).*

## KEY FINANCIAL STATISTICS

Group financial results for the year ended 30 June 2016

	<b>2016</b> <b>R'000</b>	2015 R'000	%
			change
<b>Attributable to owners of the parent</b>			
Profit for the year	409 831	385 220	6.4
Headline earnings for the year	432 663	384 774	12.4
Normalised headline earnings for the year	432 663	387 162	11.8
<b>Earnings per share (cents)</b>			
Attributable earnings	46.6	43.8	6.4
Headline earnings	49.2	43.7	12.6
Normalised headline earnings	49.2	44.0	11.8
<b>Dividend per share (cents)</b>	25.60	22.85	12.0
Interim	11.40	12.40	
Final (declared and payable after year-end)	14.20	10.45	
<b>Net asset value per share (cents)</b>	324.5	289.3	12.2
<b>Intrinsic value per share, excluding CGT (cents)</b>	1 079.1	1 111.9	(2.9)
<b>Last traded price per share (cents)</b>	898.0	950.0	(5.5)
<b>Key ratios</b>			
Price-earnings (times)	19.3	21.7	
Dividend yield (%)	2.9	2.4	
Last traded price discount to intrinsic value (%)	16.8	14.6	

## DIRECTORS

### **C A Otto (66)**

#### **Independent non-executive chairman\***

BComm, LLB

Appointed 18 August 2009

*Chris Otto is a director of various companies, including Capitec Bank Holdings Limited, Distell Group Limited, Kaap Agri Limited, PSG Group Limited and Zeder Investments Limited.*

### **A E v Z Botha (59)**

#### **Independent non-executive director\***

BSc Agric (Hons) (Viticulture)

Appointed 9 October 2003

*Abrie Botha is a wine farmer and owner of Goedemoed Boerdery in Vredendal, and is also chairman of VinPro Limited and Namaqua Wines.*

### **R M Jansen (47)**

#### **Independent non-executive director\***

BCompt (Hons), CA(SA)

Appointed 2 November 2012

*Rudi Jansen is a director of various other companies, including Dark Fibre Africa Proprietary Limited.*

### **E G Matenge-Sebesho (61)**

#### **Independent non-executive director**

MBA (Brunel), CAIB(SA)

Appointed 12 September 2014

*Ethel Matenge-Sebesho is currently working for Home Finance Guarantors Africa Reinsurance and has established extensive and useful contacts and networks in most African countries. She has considerable experience in the banking and financial services sector at a strategic and policy level. She currently serves as a director on various boards including FirstRand Limited, Finmark Trust and Distell Group Limited.*

### **P R Louw (47)**

#### **Financial Director**

BCompt (Hons), CA(SA)

Appointed 5 March 2015

*Pieter Louw is the head of corporate finance of Remgro Limited and represents Remgro on the board of RCL Foods Limited.*

### **J J Durand (49)**

#### **Non-executive director**

BAcc (Hons), MPhil, CA(SA)

Appointed 24 March 2010

*Jannie Durand is the chief executive officer of Remgro Limited and a director of various other companies, including Distell Group Limited.*

\* Member of Audit and Risk Committee

## CHAIRMAN'S REPORT

### OVERVIEW

As at 30 June 2016, the sole investment of Capevin Holdings Limited (Capevin Holdings or the Company) is an effective interest of 26.77% (2015: 26.82%) in the issued share capital of Distell Group Limited (Distell), held via its 50% interest in Remgro-Capevin Investments Proprietary Limited.

### FINANCIAL RESULTS

For the year ended 30 June 2016, Distell's revenue grew by 9.6% to R21.5 billion on a sales volume increase of 2.8%. Distell's results for the year, supported by strong overall revenue growth and efficiency improvements across the business, also benefitted from a substantially weaker rand against the major currencies in which Distell trades. Operating costs rose by 9.1% given continued investment in key strategic initiatives and in selected markets where growth opportunities have been identified.

Distell reported a 12.3% increase in headline earnings to R1 611 million, with headline earnings per share increasing by 12.1% to 735.3 cents. Capevin Holdings' headline earnings per share for the year ended 30 June 2016 consequently increased by 12.6% to 49.2 cents per share.

During April 2013, Distell acquired Burn Stewart Distillers Limited (BSD). A subsequent remeasurement and reversal of the contingent purchase consideration payable on the BSD acquisition was included in the 2015 financial year. Distell's normalised headline earnings, which excludes the remeasurement and reversal of the purchase consideration for BSD, increased by 11.6%.

Capevin Holdings' normalised headline earnings and normalised headline earnings per share (based on Distell's normalised measure as described above) increased by 11.8% to R432.7 million and 49.2 cents per share respectively.

The Company's intrinsic value decreased by 2.9% to R10.79 per share – based on Distell's last traded price of R161.80 at 30 June 2016 (excluding capital gains tax) (30 June 2015: R166.97). Capevin Holdings' discount to intrinsic value has widened from 14.6% at 30 June 2015 to 16.8% at 30 June 2016.

Refer to [www.distell.co.za](http://www.distell.co.za) for Distell's comprehensive results.

### DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to declare a final gross cash dividend (dividend number 24) of 14.20 cents (2015: 10.45 cents) per share for the year ended 30 June 2016.

The total gross dividend per share for the year ended 30 June 2016 therefore amounts to 25.60 cents, compared to 22.85 cents for the year ended 30 June 2015, representing an increase of 12.0%.

### PROSPECTS

Distell's board believes that the outlook for global economic growth will remain subdued amid volatile trading conditions during the year ahead. They are, however, confident that Distell will continue to be able to pursue its long-term strategy to grow shareholder value. Distell remains well-positioned to take early advantage of any improvements in economic conditions given its diverse portfolio of appealing brands, as well as a strengthened and extended route to market network and its strong financial position.



**C A Otto**  
*Chairman*

Stellenbosch  
12 September 2016

## CORPORATE GOVERNANCE REPORT

Capevin Holdings Limited (Capevin Holdings or the Company) is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King Code of Governance Principles for South Africa 2009 (King III). Accordingly, Capevin Holdings' corporate governance policies have in all respects been appropriately applied during the year under review. The Board does not consider application of all principles contained within King III appropriate for Capevin Holdings. Where specific principles have not been applied, explanations for these are contained within this section. Distell Group Limited (Distell), is similarly committed having, inter alia, its own audit, risk and remuneration committees. A detailed analysis of the Group's adherence to the 75 principles of King III is available at [www.capevin.com](http://www.capevin.com).

### BOARD OF DIRECTORS

Details of Capevin Holdings' directors are provided on page 2 of this Annual Report. Directors are elected on recommendation of the current directors or, if properly nominated, by shareholders. Currently the Board comprises six directors. The appointment of directors is formal and transparent, and considered to be a matter for the Board as a whole.

Capevin Holdings is an investment holding company with limited day-to-day operations and has not filled the office of chief executive officer. Mr P R Louw is the Company's Financial Director. Mr C A Otto fills the role of independent non-executive chairman. Apart from the financial director, all directors are considered to be non-executive. There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, with the majority of directors being non-executive.

King III recommends that the majority of non-executive directors be independent. Although not all of the non-executive directors are independent as defined by King III, all of the non-executive directors are independent of thought and action. Having considered the matter, the Board is accordingly satisfied, as stated previously, that its current composition ensures a balance of power and authority.

The Board met twice during the past year. The attendance of these meetings is set out in the table below. Capevin Holdings' Memorandum of Incorporation requires one-third of the non-executive directors of the Company to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting. In accordance with the Company's Memorandum of Incorporation, Mr A E v Z Botha and Mr J J Durand will retire by rotation.

Director	9 September 2015	2 March 2016
A E v Z Botha	✓	✓
J J Durand	✓	✓
R M Jansen	✓	✓
P R Louw	✓	✓
E G Matenge-Sebesho	✓	✓
C A Otto	✓	✓

✓ Present

The induction of directors is not conducted through a formal process. This has not been necessary to date as new appointees have been familiar with the Group's operations and the environment in which it operates. Consideration will be given to an induction programme for future appointees. The Board does not conduct regular appraisals of its members and committees. Consideration will be given to same going forward.

The Company operates as an investment holding company, which holds as its sole asset an indirect investment in Distell. In view of the narrow scope of the Company's operations, the role of the Board is limited to monitoring the Company's investment performance and to ensure that procedures and practices are in place to protect the Company's assets and reputation. The Board also assumes responsibility for the management of relationships with various stakeholders.

The Board has appointed an Audit and Risk Committee and a Remuneration Committee to assist it in the performance of its duties.

## CORPORATE GOVERNANCE REPORT *(continued)*

### REMUNERATION COMMITTEE

The Remuneration Committee consists of the full Board of Directors and Mr J J Durand serves as chairman of the committee.

The Remuneration Committee, who does not meet separately from the Board, recommended that a fee of R13 300 per meeting be paid to the independent, non-executive directors and R6 600 per meeting to the Audit and Risk Committee members for the year ending 30 June 2017.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee at the date of this report comprises Messrs R M Jansen (Chairman), A E v Z Botha and C A Otto. All directors are welcome to attend meetings. The Audit and Risk Committee met twice during the past year. A report by the Audit and Risk Committee has been provided on page 7 of this Annual Report. The Audit and Risk Committee operates according to a Board-approved charter.

### SOCIAL AND ETHICS COMMITTEE

Capevin Holdings has received a dispensation from having a Social and Ethics Committee in terms of section 72(5) of the Companies Act (No. 71 of 2008).

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group. Distell has its own board of directors responsible for the risk management and internal control of that company and its business. Detailed risk assessments and management plans have been implemented throughout the Group to ensure that risk is properly managed. The Board, on recommendation by the Audit and Risk Committee, concluded that the system of internal control and the risk management process were effective for the financial year under review.

The Group operates in a highly regulated environment. Distell has formal policies and procedures in place to ensure adherence to the various acts and codes that govern its day-to-day operations.

### COMPANY SECRETARY

Remgro Management Services Limited (RMS) is the Company Secretary of Capevin Holdings. The Company Secretary acts as conduit between the Board and the Group. The Company Secretary is responsible for board

administration, liaison with the Companies and Intellectual Property Commission (CIPC) and the JSE Limited. Board members also have access to legal and other expertise, when required and at the cost of the Company, through the Company Secretary.

The Company Secretary has to date maintained a professional relationship with Board members, giving direction on good governance and independent advice, as and when required. The Board has reviewed, through discussion and assessment, the qualifications, experience and competence of the individuals employed by the Company Secretary and has noted that the Company Secretary performed all formalities and statutory duties timeously and in an appropriate manner. The Board is satisfied that an arm's length relationship exists, taking into account that the Company Secretary is not a director of the Company and is not related to any of the directors.

The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 8 of this Annual Report.

### INTERNAL AUDIT

On the recommendation of the Audit and Risk Committee, the Board has decided not to establish an internal audit function at Group level given that the Board has satisfied itself that Distell has its own internal audit function and that the Group's current system of internal control and risk management operates effectively.

### GOVERNANCE OF INFORMATION TECHNOLOGY

Distell is responsible for information technology (IT) governance in its respective business environments. Capevin Holdings' appointed manager, RMS, has an appointed IT manager who is responsible for IT governance. As IT does not play a significant role in the sustainability of Capevin Holdings, due to its nature and size, the investment in and expenditure on IT at Group level are insignificant. The Board is accordingly satisfied that the current systems of IT governance at Group level are appropriate.

### INTEGRATED REPORTING AND DISCLOSURE

Capevin Holdings is a passive investment holding company that does not involve itself in the management of Distell. We consider Distell to have a strong management team and therefore rely on them to apply the principles of King III regarding sustainability reporting and disclosure, to the extent appropriate to its business.

## CORPORATE GOVERNANCE REPORT *(continued)*

Capevin Holdings will apply the principles of integrated reporting at Group level to the extent that such principles are considered appropriate.

### **SUSTAINABILITY**

#### **Stakeholder relations**

Capevin Holdings subscribes to the principles of objective, honest, timeous, balanced, relevant and understandable communication of financial and non-financial information to stakeholders. The Group acknowledges the task and responsibility of regulators, and our relationships with them are maintained in a businesslike manner.

#### **Safety, health and environment**

The Group recognises that South Africa is facing an HIV/Aids pandemic of considerable proportions. Although our healthcare system will bear (and is already bearing) the brunt of the pandemic, there is little doubt that it is affecting every aspect of our society. We encourage all people to act responsibly.

#### **Social responsibility**

Capevin Holdings subscribes to acting in a socially responsible manner and supports Distell in its various sustainability initiatives.

#### **Human resources and employment equity**

RMS is the appointed manager to Capevin Holdings and, accordingly, Capevin Holdings does not have any employees. RMS regards its people as an important element of its business. It is therefore important to make the best use of the human capital it has available. All employees are encouraged and motivated to better themselves through training and study. Distell has set its own targets and specific action plans.

#### **Ethics**

The Group is committed to maintaining high ethical and moral codes of conduct in its professional and social dealings. This is ingrained in the culture of the Group.

#### **Products and product development**

Capevin Holdings offers no products or services as it only holds an investment in Distell. Distell is Africa's leading producer and marketer of spirits, fine wines, ciders and ready-to-drinks.

#### **Financial reporting**

Capevin Holdings provides financial reports to its shareholders twice a year. Details regarding significant transactions undertaken are reported timeously.



## REPORT OF THE AUDIT AND RISK COMMITTEE

The Capevin Holdings Limited Audit and Risk Committee (the committee) at the date of this report comprises Messrs R M Jansen (Chairman), A E v Z Botha and C A Otto. All the members are independent non-executive directors. The committee met as set out below during the past year and the meetings are open for all the directors to attend. The meetings held during the year were attended as follows:

<b>Member</b>	<b>9 September 2015</b>	<b>2 March 2016</b>
R M Jansen (Chairman)	✓	✓
A E v Z Botha	✓	✓
C A Otto	✓	✓

✓ Present

The committee reports that it has considered and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit-related services performed.

The committee has satisfied itself that the financial function, including the Financial Director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the Company are working effectively.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

A Board-approved Audit and Risk Committee charter stipulating, inter alia, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the Audit and Risk Committee charter as well as relevant legal and regulatory responsibilities.

The committee has evaluated the separate and group annual financial statements of Capevin Holdings Limited for the year ended 30 June 2016 and, based on the information provided to the committee, considers that the Group complies, in all material respects, with the requirements of the Companies Act (No. 71 of 2008), as amended, and International Financial Reporting Standards.



**R M Jansen**  
*Chairman*

Stellenbosch  
12 September 2016

## APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and the preparation of annual financial statements that fairly represent the state of affairs and the results of the Company and Group. The external auditor is responsible for independently auditing and reporting on the fair presentation of the annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the Group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa; and the JSE Limited Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

These summary consolidated financial statements were derived from the consolidated annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act of South Africa. Reading these summary consolidated financial

statements, therefore, is not a substitute for reading the consolidated annual financial statements of Capevin Holdings Limited.

The Audit and Risk Committee of the Group meets regularly with the external auditor, as well as administrative management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel, as well as to the Audit and Risk Committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the Group has adequate resources to continue for the foreseeable future.

The annual financial statements, including these summary consolidated financial statements set out on pages 12 to 17, were approved by the Board of Directors of Capevin Holdings Limited and are signed on its behalf by:



**C A Otto**  
*Chairman*

Stellenbosch  
12 September 2016



**P R Louw**  
*Financial Director*

## DECLARATION BY THE COMPANY SECRETARY

We declare that, to the best of our knowledge, the Company has filed with the Companies and Intellectual Property Commission (CIPC) all such returns and notices as are required of a public company in terms of the Companies Act (No. 71 of 2008), as amended, and that all such returns and notices are true, correct and up to date.



**Remgro Management Services Limited**  
*Company Secretary*  
**Per M Lubbe**

Stellenbosch  
12 September 2016

## DIRECTORS' REPORT

### NATURE OF BUSINESS

Capevin Holdings Limited (Capevin Holdings or the Company) is an investment holding company that holds an indirect interest of 26.77% in Distell Group Limited (Distell), which mainly manufactures, distributes and markets wine, spirits and alcoholic fruit beverages.

### SHAREHOLDERS

Details regarding the Company's major beneficial shareholders are set out in note 8 to these summary annual financial statements.

### OPERATING RESULTS

The main asset of the Company is an indirect investment in Distell, which is held through its joint venture, Remgro-Capevin Investments Proprietary Limited (Remgro-Capevin Investments). The equity method of accounting is therefore applied in the preparation of these group financial statements.

The financial position and the results of operations are fully dealt with in these summary annual financial statements.

Headline earnings per share increased by 12.6% from 43.7 cents per share to 49.2 cents per share. Normalised headline earnings per share, which excludes the Company's share of Distell's remeasurement and reversal of the contingent consideration of the acquisition of Burn Stewart Distillers Limited in 2015, increased by 11.8% from 44.0 cents to 49.2 cents per share.

### THE PROPOSED ACQUISITION OF SABMILLER BY AB INBEV

The global alcoholic beverages industry has witnessed further consolidation with the proposed acquisition of SABMiller by AB Inbev. The intended transaction has been subjected to review by various competition authorities around the world, including South Africa. One of the conditions of the Competition Tribunal's ruling of the merger between AB Inbev and SABMiller in South Africa, has been the disposal of the latter's shareholding in Distell.

The Board of Capevin Holdings has taken note of this condition and will await AB Inbev/SABMiller's response in this regard and, with due consideration of the Company's rights it has, act in the best interest of Capevin Holdings and its shareholders.

### STATED CAPITAL

There was no change in the stated capital during the year under review.

### DIRECTORS

The directors of the Company at the date of this report were:

- C A Otto (Chairman)\*\*
- A E v Z Botha<sup>^</sup>
- J J Durand\*
- R M Jansen<sup>^</sup>
- E G Matenge-Sebesho \*\*
- P R Louw

\* Also serves on Distell's board of directors

<sup>^</sup> Independent non-executive director

In terms of the provision of the Memorandum of Incorporation, Messrs A E v Z Botha and J J Durand retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

### DIRECTORS' EMOLUMENTS AND INTERESTS

Details are set out in note 3 to these summary annual financial statements.

### DIVIDENDS

An interim dividend of 11.40 cents (2015: 12.40 cents) per share was declared on 2 March 2016 and paid on 18 April 2016.

The final dividend was determined at 14.20 cents (2015: 10.45 cents) per share. The total dividend for the year therefore amounts to 25.60 cents (2015: 22.85 cents), which represents an increase of 12.0%.

In terms of the Company's Memorandum of Incorporation, dividends that are not claimed by shareholders may be declared forfeited after three years. During the year under review, the Board took the decision to declare all such dividends forfeited.

### DECLARATION OF CASH DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to approve and declare a final gross cash dividend (dividend number 24) of 14.20 cents (2015: 10.45 cents) per share for the year ended 30 June 2016. The dividend has been declared from income reserves.

## DIRECTORS' REPORT *(continued)*

A dividend withholding tax of 15% or 2.1300 cents per share will be applicable, resulting in a net dividend of 12.07 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The number of issued ordinary shares as at 12 September 2016 is 880 103 265. The Company's income tax number is 9599/656/71/8.

### **Payment**

The final dividend is payable on Monday, 3 October 2016, to shareholders of the Company registered at the close of business on Friday, 30 September 2016.

Share certificates may not be dematerialised or rematerialised between Wednesday, 28 September 2016, and Friday, 30 September 2016, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques are no longer issued. In the instance where shareholders

do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for pay out.

### **EVENTS AFTER THE REPORTING DATE**

The directors are unaware of any other matter or event, which is material to the financial affairs of the Company, that have occurred between the reporting date and the date of approval of these annual financial statements.

### **SECRETARY**

The secretary of the Company is Remgro Management Services Limited. Its business and postal addresses are set out below:

<b>Business address</b>	<b>Postal address</b>
Millennia Park	PO Box 456
16 Stellentia Avenue	Stellenbosch
Stellenbosch	7599
7600	

# REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF CAPEVIN HOLDINGS LIMITED

The summary consolidated financial statements of Capevin Holdings Limited, set out on pages 12 to 17 of the Annual Report, which comprise the summary consolidated statement of financial position as at 30 June 2016, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Capevin Holdings Limited for the year ended 30 June 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 September 2016. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Capevin Holdings Limited.

## **DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

The directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE Limited's (JSE) requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

## **OPINION**

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Capevin Holdings Limited for the year ended 30 June 2016 are consistent, in all material respects, with those consolidated financial statements, in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## **OTHER REPORTS REQUIRED BY THE COMPANIES ACT**

The "Other Reports Required by the Companies Act" paragraph in our audit report dated 12 September 2016 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2016, we have read the Directors' Report, the Report of the Audit and Risk Committee and the Declaration by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

*PricewaterhouseCoopers Inc*

**PricewaterhouseCoopers Inc.**

**Director: N H Döman**

*Registered Auditor*

Stellenbosch

12 September 2016

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	<b>2016</b> <b>R'000</b>	2015 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>2 852 443</b>	2 559 147
Investment in joint venture	2 852 443	2 557 347
Available-for-sale asset	–	1 800
<b>Current assets</b>		
Cash and cash equivalents	15 871	4 842
<b>Total assets</b>	<b>2 868 314</b>	2 563 989
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Ordinary shareholders' interest	2 856 204	2 546 060
<b>Non-current liabilities</b>		
Deferred taxation	–	335
<b>Current liabilities</b>	<b>12 110</b>	17 594
Trade payables	268	318
Unclaimed dividends	11 800	17 239
Current income tax liability	42	37
<b>Total equity and liabilities</b>	<b>2 868 314</b>	2 563 989
<b>Net asset value per share (cents)</b>	<b>324.5</b>	289.3

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

	<b>2016</b> <b>R'000</b>	2015 R'000
Share of profit of joint venture	410 662	385 899
Loss on dilution of interest in joint venture	(2 527)	(246)
Investment income	1 452	1 025
Profit on sale of investment	1 650	–
Unclaimed dividends forfeited	1 252	1 106
Administrative expenses	(2 162)	(2 280)
Profit before taxation	410 327	385 504
Taxation	(496)	(284)
<b>Profit for the year</b>	<b>409 831</b>	<b>385 220</b>
<b>Other comprehensive income</b>	<b>92 615</b>	<b>70 113</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value adjustment – available-for-sale asset	(150)	–
Tax charge relating to available-for-sale asset	28	–
Reclassified to profit or loss	(1 343)	–
Share of other comprehensive income of joint venture		
Fair value adjustment – available-for-sale asset	(4 630)	1 529
Currency translation differences	65 244	48 215
Reclassified to profit or loss	(754)	(361)
<i>Items that will not be reclassified to profit or loss:</i>		
Share of joint venture's remeasurements of post-employment benefits	22 092	16 332
Other equity movements of joint venture	12 128	4 398
<b>Total comprehensive income for the year</b>	<b>502 446</b>	<b>455 333</b>
<b>Profit for the year attributable to:</b>		
Owners of the parent	409 831	385 220
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	502 446	455 333
<b>Earnings per share (cents)</b>		
– Basic	46.6	43.8
– Diluted	46.4	43.6
<b>Number of shares (thousands)</b>		
– In issue	880 103	880 103
– Weighted average	880 103	880 103

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	<b>2016</b>	2015
	<b>R'000</b>	R'000
<b>Ordinary shareholders' equity at the beginning of the year</b>	<b>2 546 060</b>	2 305 472
Total comprehensive income	502 446	455 333
Dividends paid	(192 302)	(214 745)
<b>Ordinary shareholders' equity at the end of the year</b>	<b>2 856 204</b>	2 546 060
<b>Dividend per share (cents)</b>		
– Interim	11.40	12.40
– Final	14.20	10.45

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	<b>2016</b>	2015
	<b>R'000</b>	R'000
<b>Cash flows from operating activities</b>		
Dividends received	207 129	200 088
Dividends paid	(192 302)	(214 745)
Interest received	1 442	1 015
Administrative expenses	(2 162)	(2 280)
Taxation paid	(491)	(278)
Increase/(decrease) in trade and other payables and unclaimed dividends	(4 237)	14 416
	<b>9 379</b>	(1 784)
<b>Cash flows from investing activities</b>	<b>1 650</b>	4 314
Proceeds from disposal of investment	1 650	–
Investment in money market fund	–	4 314
<b>Net increase in cash and cash equivalents</b>	<b>11 029</b>	2 530
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4 842</b>	2 312
<b>Cash and cash equivalents at the end of the year</b>	<b>15 871</b>	4 842



# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act (No. 71 of 2008), as amended, applicable to summary financial statements. The JSE requires summary financial statements 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 the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The summary consolidated financial statements do not contain all the information and disclosures required in the consolidated financial statements. The summary consolidated financial statements were extracted from the consolidated audited financial statements on which PricewaterhouseCoopers Inc. has issued an unmodified report. The audited consolidated financial statements and the unmodified audit report are available for inspection at the Company's registered office.

## 2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 26.77% (2015: 26.82%) in the issued share capital of Distell Group Limited (Distell), held via its 50% interest in Remgro-Capevin Investments Proprietary Limited (Remgro-Capevin Investments).

## 3. RELATED PARTY TRANSACTIONS

During the year the Group received dividends from Remgro-Capevin Investments (a joint venture) of R207 119 220 (2015: R200 078 000). The Group also paid administrative fees of R980 500 (2015: R925 000) to Remgro Management Services Limited (a subsidiary of an investor with significant influence over the Group). The Group also disposed of its investment in Historical Homes of South Africa Limited to Eikenlust Proprietary Limited (a subsidiary of an investor with significant influence over the Group) for a total amount of R1 650 000.

### Directors' emoluments

Director	30 June 2016	30 June 2015
A E v Z Botha	R37 200	R17 400
N Celliers*	–	R11 600
R M Jansen	R37 200	R34 800
E G Matenge-Sebesho*	R24 800	R11 600
C A Otto	R37 200	R34 800

\* Mr N Celliers resigned, and Ms E G Matenge-Sebesho was appointed as a director on 12 September 2014.

### Directors' interests

No director (or associate of any of the directors), holds an interest in the securities of the Company.

There has been no change in the interests of the directors in the securities of the Company from the reporting date up to the approval of the annual financial statements.

## 4. SEGMENT REPORT

Capevin Holdings is an investment holding company with its sole investment being an effective interest in Distell. The directors have not identified any other segment to report on.

**NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
for the year ended 30 June 2016

**5. HEADLINE EARNINGS**

	<b>2016</b> <b>R'000</b>	2015 R'000
<b>Earnings attributable to ordinary shareholders</b>	<b>409 831</b>	385 220
Headline earnings adjustable items		
Share of joint venture's impairment of intangible asset*	21 463	–
Share of joint venture's other capital (gains)/losses	491	(849)
Tax on share of joint venture's capital gains and losses	(91)	157
Gain on disposal of investment	(1 650)	–
Tax effect on gain of disposal of investment	92	–
Loss on dilution of interest in joint venture	2 527	246
<b>Headline earnings</b>	<b>432 663</b>	384 774
Remeasurement and reversal of contingent consideration	–	2 388
<b>Normalised headline earnings<sup>#</sup></b>	<b>432 663</b>	387 162
Weighted number of shares in issue ('000)	880 103	880 103
<b>Earnings per share (cents)</b>		
– Basic	46.6	43.8
– Diluted	46.4	43.6
<b>Headline earnings per share (cents)</b>		
– Basic	49.2	43.7
– Diluted	49.0	43.5
<b>Normalised headline earnings per share (cents)</b>		
– Basic	49.2	44.0
– Diluted	49.0	43.8

\* The impairment relates to the Bisquit brand: The expected potential market growth in China and Russia at the time of acquisition has not materialised leading to an impairment in the carrying value of the brand.

<sup>#</sup> Normalised headline earnings excludes the Company's share of Distell's remeasurement and reversal of the contingent consideration of the acquisition of Burn Stewart Distillers Limited in the 2015 financial year.

**6. EVENTS AFTER THE REPORTING DATE**

The Group is unaware of any matter or event that is material to the financial affairs of the Company that have occurred between the reporting date and the date of approval of the annual financial statements.

**7. FAIR VALUE REMEASUREMENTS**

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments available-for-sale: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being the actual net asset value of the investment.

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group had, except for the investment in Historical Homes of South Africa Limited (HHSA), no financial instruments measured at fair value. HHSA was classified as level 3 and was disposed of during the 2016 financial year for R1 650 000.

**NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
for the year ended 30 June 2016

**8. SHARE ANALYSIS**

**Major beneficial shareholders**

	30 June 2016		30 June 2015	
	%	Number of shares	%	Number of shares
<b>Ordinary shares</b>				
Remgro International Holdings Proprietary Limited	15.56	136 978 200	15.56	136 978 200
Government Employees Pension Fund (PIC)	11.92	104 899 156	11.90	104 737 607
Other	72.52	638 225 909	72.54	638 387 458
<b>Total</b>	<b>100.00</b>	<b>880 103 265</b>	<b>100.00</b>	<b>880 103 265</b>

No other shareholder held a beneficial interest of more than 5% in the ordinary shares of the Company on 30 June 2016.

**Distribution of shareholders**

	30 June 2016	30 June 2015	30 June 2014
<b>Ordinary shares</b>			
<i>Public shareholders</i>	6 709	6 963	7 322
Percentage of shareholders	99.97	99.97	99.97
Number of shares	638 225 909	638 387 458	743 104 065
Percentage of shares issued	72.52	72.54	84.43
<i>Non-public shareholders</i>			
Directors and their associates/Shareholders holding more than 10%	2	2	2
Percentage of shareholders	0.03	0.03	0.03
Number of shares	241 877 356	241 715 807	136 999 200
Percentage of shares issued	27.48	27.46	15.57
<b>Number of shareholders</b>	<b>6 711</b>	<b>6 965</b>	<b>7 324</b>

**Range of shareholding**

	30 June 2016			
	%	Number of shareholders	%	Number of shares
1 – 1 000	5.36	360	0.02	186 361
1 001 – 10 000	47.12	3 162	1.58	13 885 338
10 001 – 50 000	28.18	1 891	5.10	44 876 983
50 001 – 100 000	7.76	521	4.32	38 055 285
100 001 – 500 000	9.14	613	14.32	126 055 045
500 001 – 1 000 000	1.07	72	5.80	51 081 604
Over 1 000 000	1.37	92	68.86	605 962 649
	<b>100.00</b>	<b>6 711</b>	<b>100.00</b>	<b>880 103 265</b>

## CORPORATE INFORMATION

<b>Registration number</b>	1997/020857/06
<b>Business and registered address</b>	Millennia Park 16 Stellantia Avenue Stellenbosch 7600 (PO Box 456, Stellenbosch, 7599)
<b>Secretary</b>	Remgro Management Services Limited
<b>Auditor</b>	PricewaterhouseCoopers Inc. Stellenbosch
<b>Transfer secretaries</b>	Computershare Investor Services Proprietary Limited 70 Marshall Street Johannesburg 2001 (PO Box 61051, Marshalltown, 2107)
<b>Listing</b>	JSE Limited <i>Sector:</i> Consumer – Food and Beverage – Beverages – Distillers & Vintners
<b>Sponsor</b>	Rand Merchant Bank (A division of FirstRand Bank Limited)
<b>Website address</b>	<a href="http://www.capevin.com">www.capevin.com</a>

## NOTICE TO SHAREHOLDERS

The 2016 Annual General Meeting of Capevin Holdings Limited (the Company) will be held on Friday, 28 October 2016, at 10:00 at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, to, if approved, pass the following ordinary and special resolutions with or without modification:

### 1. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

#### Ordinary resolution number 1

**Resolved that** the audited annual financial statements, including the Directors' Report, the Report of the Independent Auditor and the Report of the Audit and Risk Committee, of the Company for the financial year ended 30 June 2016 be accepted and approved.

### 2. REAPPOINTMENT OF AUDITOR

#### Ordinary resolution number 2

**Resolved that** the reappointment of PricewaterhouseCoopers Inc., who is independent from the Company, as the Company's auditor, as nominated by the Company's Audit and Risk Committee, be approved and to note that the individual registered auditor who will perform the function of auditor during the financial year ending 30 June 2017, is Mr A Wentzel.

### 3. ELECTION OF DIRECTOR

#### Ordinary resolution number 3

**Resolved that** Mr A E v Z Botha who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation (Memorandum of Incorporation) and who has offered himself for re-election, be re-elected as a director of the Company.

### 4. ELECTION OF DIRECTOR

#### Ordinary resolution number 4

**Resolved that** Mr J J Durand who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

Biographical details of all directors of the Company are set out on page 2 of the Annual Report.

### 5. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

#### Ordinary resolution number 5

**Resolved that** Mr A E v Z Botha, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017.

### 6. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

#### Ordinary resolution number 6

**Resolved that** Mr R M Jansen, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017.

### 7. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

#### Ordinary resolution number 7

**Resolved that** Mr C A Otto, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2017 and to note that Mr C A Otto has a dual role as the chairman of the Board and as a member of the Audit and Risk Committee.

## NOTICE TO SHAREHOLDERS (continued)

### 8. APPROVAL OF DIRECTORS' REMUNERATION

#### Special resolution number 1

**Resolved that** directors' fees for services rendered as independent non-executive directors for the financial year ending 30 June 2017 be determined on the following basis:

Type of fee (R)	Fee for the year ended 30 June 2016	Proposed fee for the year ending 30 June 2017
Fee per Board meeting	12 400	13 300
Fee per Audit and Risk Committee meeting	6 200	6 600
Fee per Remuneration Committee meeting	–	–

#### *Additional information in respect of Special Resolution Number 1*

The reason for and the effect of Special Resolution Number 1 is to approve the remuneration payable by the Company to its independent non-executive directors for their services as directors of the Company for the financial year ending 30 June 2017.

### 9. AMENDMENT TO THE MEMORANDUM OF INCORPORATION

#### Special resolution number 2

**Resolved that**, in terms of section 16(1)(c) of the Companies Act (No. 71 of 2008), as amended (Companies Act), the Memorandum of Incorporation be and is hereby amended by the deletion of the existing heading of clause 7 in its entirety and the substitution thereof with the following heading "CONSOLIDATION, SUBDIVISION, REDUCTION OF CAPITAL AND FRACTIONAL ENTITLEMENT" and by the deletion of the existing clause 7.3 in its entirety, and the substitution thereof with the following new clause 7.3: "If a fraction of a Share comes into being as a result of any action contemplated in clause 7.1 or any other corporate action, the Board shall deal with such fraction in the manner as prescribed by the Listings Requirements of the exchange operated by the JSE Limited (Listings Requirements) from time to time, or in the absence of any such prescription, the Board shall deal with such fraction in a manner as determined by the Board in its reasonable discretion."

#### *Additional information in respect of Special Resolution Number 2*

The reason for and the effect of Special Resolution Number 2 is to approve the amendment of the Memorandum of Incorporation of the Company to remove any conflict between the Memorandum of Incorporation and the Listings Requirements (as amended earlier in 2016) in relation to the manner in which fractions of shares arising from a corporate action are to be treated.

#### **And to transact any other business that may be transacted at an Annual General Meeting.**

Additional information and explanatory notes in respect of Ordinary Resolutions Numbers 1 to 7 and Special Resolution Numbers 1 and 2 are set out in the explanatory notes to this Notice attached hereto.

### RECORD DATES

The record date in terms of section 59 of the Companies Act, for shareholders to be recorded on the securities register of the Company in order to receive Notice of the Annual General Meeting is Friday, 16 September 2016.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 21 October 2016, and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Tuesday, 18 October 2016.

## **NOTICE TO SHAREHOLDERS** *(continued)*

### **APPROVALS REQUIRED FOR RESOLUTIONS**

Ordinary Resolutions Numbers 1 to 7 contained in this Notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements.

Special Resolution Numbers 1 and 2 contained in this Notice of Annual General Meeting requires the approval by at least 75% of the votes exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements.

### **ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES**

Shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the Company. Proxy forms must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Wednesday, 26 October 2016, at 10:00 (South African time), provided that any proxy form not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration.

On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with “own name” registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

### **PROOF OF IDENTIFICATION REQUIRED**

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the Annual General Meeting. A green barcoded identification document or a barcoded identification smart card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the Annual General Meeting as sufficient identification.

By order of the Board of Directors.

**Remgro Management Services Limited**  
*Company Secretary*

Stellenbosch  
12 September 2016

## EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS

### ORDINARY RESOLUTIONS

#### Ordinary resolution number 1

##### *Approval of annual financial statements*

In terms of the provisions of section 30(3)(d) of the Companies Act (No. 71 of 2008), as amended (Companies Act), the Company's annual financial statements have to be presented to the shareholders at the Annual General Meeting for consideration.

The complete audited annual financial statements, including the Directors' Report, the Report of the Independent Auditor and the Report of the Audit and Risk Committee, of the Company for the financial year ended 30 June 2016 are published on the Company's website at [www.capevin.com](http://www.capevin.com). The Directors' Report, the Report of the Independent Auditor, the Report of the Audit and Risk Committee and the summary consolidated annual financial statements are included in the Annual Report from pages 7 to 17.

#### Ordinary resolution number 2

##### *Reappointment of auditor*

In terms of the provisions of section 90(1) of the Companies Act, a public company shall at every Annual General Meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting of the Company.

#### Ordinary resolutions numbers 3 and 4

##### *Election of directors*

In terms of the provisions of clause 27.4.3 of the Company's Memorandum of Incorporation, one-third of the non-executive directors, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third are required to retire at each Annual General Meeting. Directors may offer themselves for re-election. Biographical details of all the directors of the Company are set out on page 2 of the Annual Report.

#### Ordinary resolutions numbers 5 – 7

##### *Appointment of members of the Audit and Risk Committee*

In terms of the provisions of section 94(2) of the Companies Act, a public company shall at every Annual General Meeting elect an Audit Committee comprising at least three members. Brief curricula vitae of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on page 2 of the Annual Report. As is evident from the curricula vitae of these directors, all of them have academic qualifications or experience in one or more of the following areas, i.e. economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources.

### SPECIAL RESOLUTIONS

#### Special resolution number 1

##### *Approval of directors' remuneration*

In terms of the provisions of section 66(9) of the Companies Act, remuneration may only be paid to the directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years.

#### Special resolution number 2

##### *Amendment to the Memorandum of Incorporation*

The Companies Act and the Company's Memorandum of Incorporation require that shareholders approve any amendments to the Memorandum of Incorporation. The heading of clause 7 and clause 7.3 in its entirety has been substituted in order to remove any conflict between the Memorandum of Incorporation and recent amendments to the Listings Requirements in relation to the manner in which fractions of shares arising from a corporate action are to be treated.



# CAPEVIN

HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1997/020857/06)  
(Share code: CVH ISIN: ZAE000167714)  
(Capevin Holdings or the Company)

## FORM OF PROXY

### THIS FORM OF PROXY IS ONLY FOR USE BY:

1. REGISTERED SHAREHOLDERS WHO HAVE NOT YET DEMATERIALIZED THEIR CAPEVIN HOLDINGS LIMITED ORDINARY SHARES; AND
2. REGISTERED SHAREHOLDERS WHO HAVE ALREADY DEMATERIALIZED THEIR CAPEVIN HOLDINGS LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S UNCERTIFICATED SECURITIES REGISTER.\*

\* See explanatory note 3 overleaf.

For completion by the aforesaid registered shareholders who hold ordinary shares of the Company (shareholder) and who are unable to attend the 2016 Annual General Meeting of the Company to be held on Friday, 28 October 2016, at 10:00 at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600 (the Annual General Meeting).

I/We \_\_\_\_\_

being the holder/s of \_\_\_\_\_ ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

1. \_\_\_\_\_ or, failing him/her,
2. \_\_\_\_\_ or, failing him/her,
3. the chairman of the Annual General Meeting, as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

Ordinary resolutions	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Reappointment of auditor			
3. Election of director – Mr A E v Z Botha			
4. Election of director – Mr J J Durand			
5. Appointment of member of the Audit and Risk Committee – Mr A E v Z Botha			
6. Appointment of member of the Audit and Risk Committee – Mr R M Jansen			
7. Appointment of member of the Audit and Risk Committee – Mr C A Otto			
<b>Special resolutions</b>			
1. Approval of directors' remuneration			
2. Amendment to the Memorandum of Incorporation			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2016

Signature/s \_\_\_\_\_

Assisted by \_\_\_\_\_

(where applicable)

Please read the notes and instructions overleaf.

## NOTES

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered shareholder of the Company.
2. On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held.
3. Shareholders registered in their own name are shareholders who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Limited as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic uncertificated securities register **in their own names**.

## INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting "the chairman of the Annual General Meeting", but any such deletion must be initialled by the shareholder. Should this space/s be left blank, the proxy will be exercised by the chairman of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she thinks fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
4. The completed forms of proxy must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Wednesday, 26 October 2016, at 10:00 (South African time), provided that any proxy form not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the Annual General Meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act (No. 71 of 2008), as amended, and accordingly a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
9. The chairman of the Annual General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a shareholder wishes to vote.



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