AH-VEST LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1989/000100/06)
("AH-Vest" or "the Company" or "the Group")
Share code: AHL ISIN code: ZAE000129177

AUDITED CONDENSED GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022, DECLARATION OF DIVIDEND NUMBER 3, NOTICE OF ANNUAL GENERAL MEETING AND B-BBEE COMPLIANCE

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Audited 12 months 30 June 2022 R	Audited 12 Months 30 June 2021 R
ASSETS		
Non-Current Assets	**67,483,671**	**71,040,420**
Property, plant and equipment	42,570,149	41,246,659
Right of use of asset	24,832,928	29,713,167
Intangible assets	80,594	80,594
Current Assets	**79,707,794**	**69,303,088**
Inventories	16,960,530	14,572,461
Trade and other receivables	42,174,722	32,269,599
Loan to shareholder	19,921,155	21,708,396
Cash and cash equivalents	651,387	752,632
Total Assets	**147,191,465**	**140,343,508**
EQUITY AND LIABILITIES		
Capital and reserves	**45,302,642**	**44,246,852**
Stated capital	21,307,610	21,293,071
Retained Income	23,995,032	22,953,781
Non-current liabilities	**40,653,727**	**44,606,733**
Lease liabilities	27,013,129	27,319,919
Other financial liabilities	8,265,381	11,078,902
Deferred income	4,226,608	4,629,099
Deferred taxation	1,148,609	1,578,813
Current liabilities	**61,235,096**	**51,489,923**
Provisions	563,843	817,825
Trade and other payables	52,913,589	45,138,772
Lease liabilities	1,054,592	1,321,103
Other financial liabilities	5,682,509	2,698,070
Deferred income	402,491	402,491
Bank overdraft	618,072	1,111,662
Total Equity and liabilities	**147,191,465**	**140,343,508**
Net asset value – cents	**44.40**	**43.39**
Tangible net asset value per share (cents)	**44.32**	**43.31**
Shares in issue at end of the year	**102,035,730**	**101,973,333**

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Audited 12 months 30 June 2022 R	Audited 12 Months 30 June 2021 R
Revenue	206,189,973	180,202,750
Cost of sales	(127,969,348)	(104,617,927)
Gross profit	**78,220,625**	**75,584,823**
Other operating income	3,052,196	4,763,171
Operating expenses	(76,883,687)	(64,446,209)
Operating profit	**4,389,134**	**15,901,785**
Investment revenue	1,460,726	1,173,692
Finance costs	(4,218,456)	(4,233,718)
Profit before taxation	**1,631,403**	**12,841,759**
Taxation	430,204	(2,636,223)
Profit for the year	**2,061,608**	**10,205,536**
Attributed to:	**2,061,608**	**10,205,536**
Outside shareholders	-	-
Equity holders of the company	**2,061,608**	**10,205,536**
Earnings per share (cents)	2.02	10.01
Headline earnings per share (cents)	2.02	9.99
Weighted average shares in issue	**102,035,730**	**101,973,333**
Diluted weighted average shares in issue	**102,035,730**	**101,973,333**

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Audited 12 months 30 June 2022 R	Audited 12 Months 30 June 2021 R
Share capital and share premium – Opening Balance	**21,293,071**	**21,293,071**
Issue of shares	14,539	-
Share capital and share premium – Closing Balance	**21,307,610**	**21,293,071**
Retained Income - Opening Balance	**22,953,781**	**13,560,361**
Profit for the year	2,061,608	10,205,536
Dividend declared	(1,020,357)	(812,116)
Retained Income - Closing Balance	**23,995,032**	**22,953,781**
Capital and reserves	**45,302,642**	**44,246,852**

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Audited 12 months 30 June 2022 R	Audited 12 Months 30 June 2021 R
Net cash flow from operations (Note 1)	**4,023,161**	**19,492,346**
Interest income	4,409	11,695
Finance costs	(4,218,456)	(4,033,508)
Dividend paid	(44,027)	(35,064)
Net cash flows (used in)/from operating activities	**(234,913)**	**15,435,469**
Cash flows from investing activities		
Purchase of property plant and equipment	(212,126)	(271,718)
Loans advanced to shareholder	(19,849,946)	(22,953,524)
Advances to shareholders repaid	22,117,174	10,200,867
Cash generated from/(utilised in) investing activities	**2,055,102**	**(13,024,375)**
Cash flows from financing activities		
Proceeds on share issue	14,539	-
Proceeds from other financial liabilities	3,000,000	-
Repayments of other financial liabilities	(2,829,082)	(2,103,376)
Lease liability payments	(1,613,301)	(1,712,433)
Cash utilised in financing activities	**(1,427,844)**	**(3,815,809)**
Net increase/(decrease) in cash and cash equivalents	**392,345**	**(1,404,715)**
Cash and cash equivalents at the beginning of the year	(359,030)	1,045,685
Cash and cash equivalents at the year end	**33,315**	**(359,030)**

Note 1:		
Net cash flow from operations		
Profit for the year	2,061,607	10,205,536
Taxation	(430,204)	2,636,223
Interest income	(1,460,726)	(1,173,692)
Finance costs	4,218,456	4,233,718
Depreciation and amortisation	4,808,873	4,543,792
Movement in provisions	(253,982)	(101,914)
Profit on sale of assets	-	(18,611)
Government grants	(402,491)	(402,490)
Increase in inventories	(2,388,069)	(3,295,038)
Increase in trade receivables	(9,905,123)	(1,218,592)
Increase in trade payables	7,774,817	4,083,414
Net cash flow from operations	**4,023,163**	**19,492,346**

COMMENTARY

The Board of Directors ("the Board") of AH-Vest is pleased to present the audited results for the year ended 30 June 2022.

Revenue has increased from R180.2m from the year ended 30 June 2021 to R206.2m for the year ended 30 June 2022, an increase of 14.4%. This is attributable to an increase in demand as well as inflationary increases. The Group's service level in the period under review was flat at 89% compared to the prior year. The target service level expected by our major customers is 95% and remains the target for management going forward. The services levels were directly impacted by major challenges experienced with load shedding, adverse weather as well as raw material procurement.

The gross profit margin decreased from 41.9% to 37.9% in the current year. This was mainly attributable to higher production costs, caused by higher shipping costs and overhead costs. There was higher inflationary pressure in the current year.

Management continues to improve on production capacity and product quality and anticipates ongoing improvement in performance in the next period. Demand remains strong for the Group's products. Synergies continue to be realised from the Group's controlling shareholder, the Eastern Trading Group (Pty) Ltd ("Eastern Trading Group").

Operating expenses increased by 19.3%. The main increases were related to sales and distribution costs caused by rapid fuel increases. Other operating costs were impacted by increased costs in the global supply chain and the weakening Rand.

Other operating income decreased from R4.8m to R3.1m, a decrease of R1.7m (35.4%). This was mainly due to reduction in training grants as well as reduced foreign exchange gains.

Investment revenue increased from R1.2m to R1.5m, an increase of R0.3m mainly due to interest income from the shareholder loan charged on commercial interest rates.

The profit before taxation decreased from R12.8m to R1.6m, a decrease of R11.2m (87.5%). Profit after taxation decreased from R10.2m to R2.1m, a decrease of R8.1m (79.4%). This was mainly due to a substantial increase in provision for IFRS9 credit loss provisions, the lower gross profit margin and increase in delivery costs.

During the year, the Group purchased property plant and equipment for R0.2m compared to R0.3m in 2021. The Group's expansion plans have been curtailed over the last two years as the business navigated the aftermath of the pandemic and focussed more on conserving cash and allocating it towards working capital. During the year, the Group reclassified right of use plant and machinery with a carrying value of R4.1m to property, plant and equipment. This was due to the finance lease for the right of use plant and machinery being fully paid in the current year. Overall, the carrying amount of the property plant and equipment increased by 3.4%. Depreciation for the period was R3.0m.

The right of use assets that was recognised from the adoption of IFRS 16 accounting for leases decreased from R29.7m to R24.8m due to reclassification of right of use plant and machinery to property, plant and equipment. Depreciation for the period was R1.9m. A right of use motor vehicle with a carrying value of R1.0m was added during the period.

Inventories increased from R14.6m in 2021 to R17.0m an increase of 16.4% in the period under review. This was mainly attributable to an increase in raw materials.

Trade and other receivables increased from R32.3m to R42.2m, an increase of 30.7% from the prior period. This was mainly due to increased sales in the last quarter of the period under review. An IFRS9 expected credit loss (ECL) provision of R6 548 544 that was made for all trade receivables more than 60 days past due in accordance with IFRS 9 requirements. In the light of cost pressures as well as cashflow constraints that some of our customers are facing at present it was necessary to recognize this provision as stipulated by IFRS 9.

The loan to shareholder decreased from R21.7m to R19.9m a decrease of 8.3%. As previously announced on SENS in accordance with section 45 of the Companies Act, this loan facility was established to assist the parent company in financing the tomato out-grower scheme in the Limpopo Province and to secure the purchasing of tomatoes by the Eastern Trading Group for the season as tomato paste is the key ingredient for many of the Group's products and reduces the reliance on imported product and exposure to adverse price changes and foreign exchange movements. There is a global shortage of tomato paste and guarantee of supply is paramount to the business. This access to local tomato paste has proved vital over the past two years, with substantial delays being experienced in international deliveries.

The long and short-term lease liabilities have decreased from R28.6m to R28.1m, a decrease of 1.7%. A new motor vehicle lease of R1.0m was obtained during the period. Lease repayments for the period amounted to R1.6m.

Deferred income decreased from R5.0m to R4.6m a decrease of 8% due to the amortisation. This is a Department of Trade, Industry and Competition (DTIC) grant deferred over the useful life of the assets for which the grant was awarded.

Provisions have decreased by 25% from R0.8m (2021) to R0.6m in the period under review. The decrease was due a reduction in the provision for growth incentive for certain customers due to reduced sales to those customers.

Trade and other payables increased from R45.1m to R52.9m, an increase of 17.3% due to increased raw material stock and a slowdown in payments from customers.

Other financial liabilities (long and short term) being a bank term loan have increased by 0.7% from R13.8m (2021) to R13.9m. Loan repayments made during the period under review amounted to R2.8m. A new revolving loan facility was taken during the period.

The bank overdraft decreased by 45.5% from R1.1m (2021) to R0.6m. Bank balances decreased from R0.8m to R0.7m. This was mainly due to an increased need for working capital.

IMPACT OF COVID-19

As we went into the third year of the COVID-19 pandemic the residual impact on the business remains in the global supply chain that has not yet fully recovered. Sporadic infections resulted in the Chinese closing their ports at various times during the year. This had the effect of disrupting supplies of raw materials as well as shipping schedules and availability of containers. Shipping costs have started to reduce but nowhere near pre-pandemic levels.

Management continues to focus on the health and wellness of our staff and the safety of our customers. We embarked on a successful Covid-19 vaccination programme with the majority of our employees being vaccinated. Generating and preserving cash in our working capital management continues to be paramount. Non-essential capital expenditure and costs have been curtailed as available capital has been allocated to working capital.

The Group has considered the JSE COVID-19 related guidance notes, as well as the related educational documents prepared by SAICA regarding the impact of COVID-19 on the application of IFRS, in the preparation of these financial statements.

JULY RIOTS

The civil unrest that occurred in Gauteng and KZN during July 2021 did not have a direct impact on the business as no property or assets were damaged during the looting and destruction that was witnessed by the nation. However, a lot of damage was suffered by some our customers in both retail and the independent trade. We assisted the customers that were impacted to rebuild their businesses as much as we could.

KZN FLOODS

The KZN province witnessed one of the most devastating floods that have been seen in the country and this resulted in a lot of fatalities, infrastructure damage and loss of business. This impacted on many of our major customers in the region and resulted in slowdown in business. However most of them quickly recovered and resumed trading.

RUSSIA-UKRAINE WAR

The Russia-Ukraine war has also had a direct impact on the economy and on the business. The business is a large consumer of cooking oil, the price of which has increased significantly due to supply constraints from that region. The price of crude oil has also increased significantly and impacted our distribution costs.

Coal supplies locally have been impacted as global demand has increased, resulting in increased costs. The quality of coal being supplied to us has deteriorated as the higher grade coal is being sold to the export markets that are paying higher prices than local consumers. The Russia -Ukraine region is a big player in the coal supply.

RELATED PARTY BALANCES AND TRANSACTIONS

The Eastern Trading Group is deemed to be a related party because it is the holding company of AH Vest and is the entity through which the Group purchases its tomato paste.

Tin Can Man (Pty) Limited and Darsot & More Chemicals, suppliers to the Group, are also related parties as they are 100% subsidiaries of the Eastern Trading Group.

These relationships have been in place for many years and the transactions are at arm's length . Comparative quotes are obtained at appropriate intervals to ensure that the terms are market related or better for AH-Vest. All related party agreements have been properly considered by disinterested directors of the Board in accordance with the Companies Act.

Transactions between AH-Vest and these related parties are disclosed in the table below:

	Audited 12 months 30 June 2022 R	Audited 12 Months 30 June 2021 R
Related Party transactions and balances		
Related party transactions - Parent company		
Revenue from sale of goods	(36,158,223)	(12,952,425)
Interest charged	(1,456,317)	(1,161,997)
Rent paid	3,360,000	3,270,000
Admin and management fees paid	2,960,090	2,862,001
Transport	19,956,870	16,643,087
Energy and operating costs	7,216,960	5,111,958
Purchases of Plant and Equipment	-	-
IFRS 9 ECL provision recognised	5,725,209	294,823
Balances with parent company		
Loan	19,921,155	21,708,396
Trade receivables	33,959,096	15,624,292
IFRS 9 ECL Provision	(6,639,650)	(914,440)
Transactions - Fellow subsidiaries		
Purchases of goods – Tin Can Man (Pty) Ltd	-	51,943
Revenue from sale of goods – Darsot & More Chemicals (DMC)	(11,093)	(98,329)
IFRS 9 ECL provision recognised – DMC	24,350	396
Balances - Fellow subsidiaries		
Trade receivables - Darsot & More Chemicals	115,883	103,126
IFRS 9 ECL Provision	(24,746)	(396)
Key management personnel remuneration		
Executive directors' remuneration	4,289,118	4,793,033
Non-executive remuneration	526,183	440,482

Following the recent changes to the JSE Listings Requirements, transactions with directors or their associates can no longer be regarded as ordinary course of business. As the Company is also listed on the Alternative Exchange of the JSE, any transaction requires a full announcement, no matter the size thereof. This would not be practical for the Company in terms of the various inter-group purchases, albeit at list price and at arms' length pricing. The Company has applied to the JSE for dispensation to announce purchases and sales for existing relationships and products and a separate announcement will be made in due course.

Any new arrangements will be considered in accordance with the amended JSE Listings Requirements.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the 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 results have been prepared by the Financial Director, Mr C Sambaza CA (SA). The directors take full responsibility for the preparation of this provisional report and are satisfied that the financial results have been correctly extracted from the underlying financial information.

The consolidated annual financial results were audited by Nexia SAB&T who expressed an unmodified audit opinion. The auditor's report is available for inspection at the Company's registered office.

ACCOUNTING POLICIES

The condensed consolidated financial statements do not include all the information and disclosures required for complete annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Group's annual financial statements as at 30 June 2022. The accounting policies adopted in the preparation of the audited condensed group financial statements are in terms of IFRS and are consistent with those followed in the Group's annual consolidated financial statements for the year ended 30 June 2021.

Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

There was no material impact on the implementation of any of these standards.

Covid - 19 - Related Rent Concessions - Amendment to IFRS 16	01 April 2021

Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2022 or later periods. These standards will be implemented in the applicable year for which they are mandatory. There is unlikely to be a material impact on the future implementation of any of these standards.

Standard/ Interpretation:	**Effective date: Years beginning on or after**
Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2 to disclose material policies rather than significant policies	01 January 2023
Definition of accounting estimates: Amendments to IAS 8	01 January 2023
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023
Deferred tax related to assets and liabilities arising from single transactions: Amendments to IAS 12	01 January 2023
Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9 - fees and costs to be included when applying the '10 per cent' test for purposes of derecognition	01 January 2022
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022
Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37	01 January 2022

DISAGGREGATION OF REVENUE

The Group has a single reporting segment which is the sale of sauces to customers based on a group of similar products, therefore only the entity wide disclosures required have been provided. The Group's revenue recognition policies are not complex and relate to the delivery of goods to customers as a single performance obligation. Performance obligations are satisfied at a point in time. There are no performance obligations satisfied over time.

	30 June 2022 R	30 June 2021 R
Revenue from sale of goods	275,168,323	251,364,305
Less rebates	(68,978,350)	(71,161,555)
	206,189,973	**180,202,750**
Revenue from sale of goods	275,168,323	251,364,305
Export revenue	(11,090,904)	(7,987,072)
Domestic revenue from sale of goods	**264,077,419**	**243,377,233**
Less rebates	(68,978,350)	(71,161,555)
Domestic revenue	**195,099,069**	**172,215,678**
Export revenue	11,090,904	7,987,072
	206,189,973	**180,202,750**

SEGMENTAL REPORTING

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker. The Chief Executive Officer of the Group is the chief operating decision maker. He evaluates the financial information of the Group as one operating unit. Separate operating segment financial information is not available. Therefore IFRS 8 was not implemented.

CUSTOMER ANALYSIS

An analysis of the revenue of customers of 5% or more is set out below:

	30 June 2022	30 June 2021
Customer A	44%	51%
Customer B	12%	15%
Customer C	5%	7%
Total	**60%**	**73%**

The Company's overall dependence on its top three customers decreased by 13 percentage points from the prior comparative financial period. Customer A decreased by 7 percentage points, customer B decreased by 3 percentage points and customer C decreased by 2 percentage points. Sales to the independent trade have been on the rise in the recent past.

HEADLINE EARNINGS AND EARNINGS PER SHARE

The headline earnings and earnings per share reconciliation, and per share information is set out below:

	30 June 2022 R	30 June 2021 R
Headline earnings reconciliation:		
Profit attributed to equity holder of the company	2,061,608	10,205,536
Adjustments:		
Profit on disposal of property plant and equipment	-	(18,611)
Taxation thereon	-	5,211
Headline earnings	**2,061,608**	**10,192,136**
Share information:		
Basic and Diluted earnings per share (cents)	2.02	10.01
Basic and Diluted headline earnings per share (cents)	2.02	9.99
Weighted average shares in issue	102,035,730	101,973,333
Diluted weighted average shares in issue	102,035,730	101,973,333

ACQUISITIONS AND DISPOSALS OF PROPERTY PLANT AND EQUIPMENT
Property, plant, and equipment increased by 3.4% from R41.2 million (FY2021) to R42.6 million in the current reporting period. This was mainly due to reclassification of right of use plant and machinery to property, plant and equipment due to the finance lease being paid up. Capital expenditure was R0.2 million during the period. Depreciation for the period under review was R3.0m.

RIGHT OF USE ASSETS
Right of use asset decreased by 16.5% from R29.7 million (FY2021) to R24.8 million. This was mainly due to the reclassification of the right of use plant and machinery to property, plant and equipment. Depreciation for the period under review was R1.9 million. A right of use motor vehicle with a carrying value of R1.0 million was added during the current period.

CONTINGENCIES
As at 30 June 2020, the Company advised that there is a contingent liability of R1 500 000 relating to a proposed fine by the Department of Labour ("Department") in terms of section 20(7) of the Employment Equity Act 55 of 1998 ("Act") in accordance with schedule 1 of the Act. The Department made an application to the Labour Court alleging that the Company was in breach of the Act by failing to prepare and implement an Employment Equity Plan in terms of section 50(1)(f) and for the Company to be ordered to comply with section 20(1) of the same Act. The Company is disputing these allegations. The Department is yet to submit its heads of arguments as requested by the Labour Court. The Company has submitted the Employment Equity Plan in dispute, and it has since been gazetted.

Subsequent to this disclosure there has been no movement on the matter as the Department has still not submitted its heads of argument. In January 2020 the business submitted its 2020/2021 Employment Equity Plan which the Department accepted. Management has instructed its attorneys to again approach the Department's legal team to withdraw this case in an attempt to resolve this matter, failing which we will approach the courts to ask for a trial date. At the time of releasing this announcement the Department had not responded to our attorneys.

The Company is also involved in other legal matters relating to trading disputes. The amounts involved are not material to the Company.

ISSUE AND REPURCHASE OF SHARES
62,397 new shares were issued during the period. There were no share repurchases during the period.

GOING CONCERN
The financial statements have been based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The focus is on the management of our cash resources and maintaining liquidity in the business. Management is continuously reviewing the order pipeline and ensuring that orders are satisfied as much as possible. Management continues to assess the impact of COVID-19 on the business and adapting its activities accordingly while adhering to the latest guidelines issued by the Government.

The Company has a strong balance sheet and is generating profits and positive cash flow and thus the Board is comfortable with the Going Concern principle.

SUBSEQUENT EVENTS
There were no material subsequent events after the period under review.

CHANGES TO THE BOARD
Mr Ismail Darsot , the founder of the Eastern Trading Company Group passed away on the 16th of July 2021. He is greatly missed by the board and his family. Mr Bilaal Darsot , the Human Resources Director resigned from the board on 22 December 2021. The board expresses its gratitude to him for his services rendered to the Group and wishes him well in his future endeavours.

Mr Haroon Takolia who has been the Acting Board Chairman was unanimously elected as the substantive Board Chairman with effect from 31 October 2022. The board wishes him well in his new role.

FINANCIAL RISK MANAGEMENT AND FAIR VALUES
There have been no material changes in the Group's financial risk management objectives and policies compared to those disclosed in the consolidated annual financial statements as at and for the year ended 30 June 2021.

The Company does not currently carry any assets or liabilities at fair value which required any disclosure on its fair value measurement. The directors are of the opinion that the carrying amount of the financial assets and financial liabilities approximate their fair values due to the short-term nature thereof. Remaining long term borrowings bear interest at market related interest rates which results in the carrying amount approximating its fair value.

DIVIDENDS PAID
The Group declared a cash dividend of 1.0 cent per share during the year under review attributable to the year ended 30 June 2021, which was paid to shareholders on 25 October 2021.

Notice is hereby given that a gross final cash dividend (Number 3) of 0.20 cents per share has been declared and is payable to all shareholders recorded in the share register of the Company at the close of business on Friday, 25 November 2022.

The dividend will be subject to the Dividends Tax that was introduced with effect from 1 April 2012. In accordance with the provisions of the Listings Requirements of the Johannesburg Stock Exchange, the following additional information is disclosed:

- The dividend has been declared out of retained earnings;
- The local Dividends Tax rate is 20%;
- The gross local dividend is 0.20 cents per share for shareholders exempt from Dividends Tax;
- The net local dividend is 0.16 cent per share for shareholders liable for Dividends Tax;
- The Company has 102,035,730 ordinary shares in issue; and
- The Company’s income tax reference number is 9770200716

The following dates are applicable to the dividend: the last day to trade to be eligible for the dividend will be Tuesday, 22 November 2022. Shares will trade ex-dividend from Wednesday, 23 November 2022. The record date will be Friday, 25 November 2022 and payment of the dividend will be made on Monday, 28 November 2022.

Share certificates may not be dematerialised / re-materialised between Wednesday, 23 November 2022 and Friday, 25 November 2022, both days inclusive. The certificated register will be closed during these dates. Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. Following the discontinuation of cheque payments by most South African banks, the Company no longer issues cheques and all payments will only be made into a nominated bank account by electronic funds transfer. Shareholders who have not yet provided their bank account details to the transfer secretaries are reminded to contact them on 086 11 00 933 with their bank account details into which the dividends can be paid electronically.

FUTURE PROSPECTS AND STRATEGY
The Group concluded an agreement with Eskom to install additional power on a self-build basis. This was anticipated to cost the group about R15m, however the costs have escalated to about R25m. It was anticipated that this project would have been completed already however it has been delayed and we believe it will be completed within the next 12 months. This should alleviate the power problems that have plagued the business for some time and enable the Group to expand its production capacity. The Group has a renewed focus on power generation and power independence and is actively taking steps to secure this.

The Group is still focused on growing its exports in strategically targeted countries after the opening up of most countries following the closures caused by the COVID-19 pandemic. The Group is optimistic about continued growth prospects for the future but is still cautious of the new challenges presented by the global supply chain and the Russia- Ukraine war.

The business has been in the process of raising additional capital for most of the past year to raise R30m, which is intended to be applied to specifically increase organic growth and increase inventory levels so that the Group is able to meet all the orders that it receives whilst growing its export sales. This capital raising exercise has proved to be more challenging than management had hoped, with interest being expressed only if the Company delists or an interest in the larger group, and has not been completed yet. Other investors are holding back on new investments as they exercise caution on the South African economy.

Interest rates continue to rise, and this will impact the growth of the business and the economy. To maintain the competitiveness of the Rand, the authorities have been forced to keep up with the interest rates in the international community. The power crisis has reached an alarming level and the government needs to intervene to save businesses in general. We are losing a lot of efficiency, production hours as well as sales due to inability to run continuously for extended periods of time.

NOTICE OF ANNUAL GENERAL MEETING AND DISTRIBUTION OF THE ANNUAL REPORT

Shareholders are advised that the Company's Integrated Report incorporating, *inter alia*, the audited consolidated annual financial statements for the year ended 30 June 2022 ("**AFS**") and a notice of Annual General Meeting, will be dispatched to shareholders on or about 4 November 2022.

The auditor's report includes details of key audit matters pursuant to International Standards of Auditing ISA 701. The Integrated Report, incorporating the AFS and the audit opinion referring to the key audit matters will be available on or about 4 November 2022 for viewing on the Company's website at:

http://www.alljoy.co.za/AnnualReports/AH Vest 2022 Integrated Report.pdf

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders will be held at 10h00 on Tuesday, 24 January 2023 in the Boardroom of the Darsot Food Corporation, 15 Misgund Road, Eikenhof, Johannesburg.

Record Date

The record date on which shareholders of the Company must be registered as such in the Company's securities register in order to attend and vote at the Annual General Meeting is Friday, 13 January 2023. The last day to trade in order to be eligible to vote at the Annual General Meeting will be Tuesday, 10 January 2023.

Broad-Based Black Economic Empowerment ("B-BBEE"): Annual Compliance Report

Shareholders are hereby notified that the Company's B-BBEE annual compliance report in terms of section 13G(2) of the Broad-Based Black Economic Empowerment Act, 53 of 2003 is available on its website. A new verification process is underway and Shareholders will be advised of the publication of the report by way of a separate SENS announcement as soon as its new B-BBEE certificate has been received.

H Takolia
Chairman

MNI Darsot
Chief Executive Officer

Johannesburg
31 October 2022

Executive Directors: ; MNI Darsot (CEO); SI Darsot; R Darsot; C Sambaza
Non-Executive Directors: H Takolia (Chairman); MS Appelgryn*; JJ du Plooy* UC Speirs* (*independent)
Registered address: 15 Misgund Road, Eikenhof, Johannesburg

Designated Advisor
AcaciaCap Advisors Proprietary Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited

Auditors
Nexia SAB&T

Company Secretary
Light Consulting Proprietary Limited