

## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

The definitions and interpretations commencing on page 6 of this Circular apply throughout this Circular, including the front cover.

### **Action required**

1. This Circular is important and should be read with particular attention to “Action required by AfroCentric Preference Shareholders” which commences on page 2.
2. If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
3. If you have disposed of all of your AfroCentric Preference Shares, please forward this Circular to the purchaser of such shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

**AfroCentric does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of AfroCentric Preference Shares to notify such beneficial owner of the Call Option as set out in this Circular.**



## **AFROCENTRIC** INVESTMENT CORPORATION LIMITED

Incorporated in the Republic of South Africa

Registration number 1988/000570/06

JSE codes: ACT, ACTP

ISIN: ZAE000078416 / ZAE000082269

“AfroCentric” or “the Company”

## **CIRCULAR TO AFROCENTRIC PREFERENCE SHAREHOLDERS**

regarding:

- the notice advising the Certificated Preference Shareholders to elect by not later than 12h00 on 15 November 2013 and Dematerialised Preference Shareholders to elect by not later than 12h00 on 31 December 2013 to exercise the Call Option for New Ordinary Shares in the Company, pursuant to the redemption provisions attaching to each Preference Share, to be automatically redeemed through the issue of New Ordinary Shares to which the Call Option relates;
- the reminder that any Preference Shareholders who do not exercise their Call Option timeously in full, that their Redeemable Preference Shares in respect of which the Call Option has not been exercised will be automatically redeemed at the Redemption Price of R0 91 per Redeemable Preference Share payable in cash on Monday, 6 January 2014;
- the delisting of the Redeemable Preference Shares from the JSE with effect from close of trade on Monday, 6 January 2014;
- the issue of the New Ordinary Shares by the Company with effect from Friday, 3 January 2014 and the listing thereof on the JSE;

and incorporating:

- a form of exercise and surrender (pink) only for use by Certificated Preference Shareholders who elect to exercise the Call Option and/or to receive the Redemption Price.

Sponsor to  
AfroCentric

**sasfin**  
Capital

Legal advisor to  
AfroCentric

**HR LEVIN**  
Attorneys, Notaries and Conveyancers

Auditors and reporting  
accountants to AfroCentric

**Sizwe  
Ntsaluba  
Gobodo**  
AUDIT · ADVISORY · FORENSICS

**Date of issue:** 28 October 2013

Copies of this Circular may be obtained in English only at the Company’s registered office during normal business hours from 28 October 2013 until 6 January 2014. Details of AfroCentric’s address is set out in the “Corporate Information and Advisors” section of this Circular.

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## ACTION REQUIRED BY AFROCENTRIC SHAREHOLDERS

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The definitions and interpretations commencing on page 6 of this Circular apply mutatis mutandis to the following section on "Action required by AfroCentric Shareholders".

**Please take careful note of the following provisions regarding the action required by AfroCentric Shareholders:**

1. If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all of your AfroCentric Preference Shares, please forward this Circular to the purchaser of such shares or the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.
3. This Circular contains information relating to the Call Option pursuant to which the holders of the AfroCentric Preference Shares will be entitled to receive New Ordinary Shares in exchange for the redemption of their Preference Shares. **Certificated Preference Shareholders who do not exercise their Call Option by not later than 12h00 on 15 November 2013 or exercise their Call Options in part and not in full are reminded that all of the AfroCentric Preference Shares will be automatically redeemed at the close of trading on Monday, 6 January 2014 against payment of the Redemption Price in cash. Dematerialised Preference Shareholders who do not exercise their Call Option by not later than 12h00 on 31 December 2013 or exercise their Call Options in part and not in full are reminded that all of the AfroCentric Preference Shares will be automatically redeemed at the close of trading on Monday, 6 January 2014 against payment of the Redemption Price in cash.**

If you hold your AfroCentric Preference Shares in certificated form and wish to exercise your rights in terms of the Call Option you will be required to complete and return the attached form of exercise and surrender (pink) in accordance with the instructions contained therein and return it together with the relevant Preference Share certificates and/or other Documents of Title to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) by not later than 12h00 on Friday, 15 November 2013. Certificated Preference Shareholders are reminded that they are not able to trade in their AfroCentric Preference Shares unless they Dematerialise such shares.

4. Certificated Preference Shareholders who dematerialise their AfroCentric Preference Shares will have until not later than 12h00 Tuesday, 31 December 2013 to make an election.
5. If you have dematerialised your AfroCentric Preference Shares and have not been contacted by your CSDP or Broker and wish to exercise the Call Option, you should contact your CSDP or Broker and furnish them with your instructions. **You must not complete and return the attached form of exercise and surrender (pink).**
6. Certificated AfroCentric Shareholders who do not wish to exercise the Call Option or who exercise the Call Option in part and who wish to receive the Redemption Price must return their Preference Share certificates and/or Documents of Title by completing the form of exercise and surrender (pink) and returning same to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107). The Redemption Price will not be paid to Certificated AfroCentric Shareholders who have not returned their Preference Share certificates and/or Documents of Title by completing the form of exercise and surrender (pink) and returning same to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).

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## CORPORATE INFORMATION AND ADVISORS

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### **Company Secretary and registered office of AfroCentric**

Statucor Proprietary Limited  
(Registration Number 1989/005394/07)  
22 Wellington Road  
Parktown, 2193  
(Private Bag X60500,  
Houghton, 2041)

### **Legal advisor to AfroCentric**

HR Levin Attorneys, Notaries and Conveyancers  
(Practice Number M2841)  
Kentgate  
64 Kent Road  
Corner Oxford Road  
Dunkeld, 2196  
(PO Box 52235, Saxonwold, 2132)

### **Transfer secretaries to AfroCentric**

Computershare Investor Services Proprietary Limited  
(Registration Number 2004/003647/06)  
Ground Floor  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

### **Sponsor to AfroCentric**

Sasfin Capital,  
A division of Sasfin Bank Limited  
(Registration Number 1951/002280/06)  
29 Scott Street  
Waverley, 2090  
(PO Box 95104, Grant Park, 2051)

### **Auditors and reporting accountants to AfroCentric**

SizweNtsalubaGobodo Inc.  
(Registration Number M2005/034639/21)  
20 Morris Street East  
Sandton, 2192  
(PO Box 2939, Saxonwold, 2132)

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# TABLE OF CONTENTS

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The definitions and interpretations commencing on page 6 of this Circular apply mutatis mutandis to this table of contents.

<b>Action required by AfroCentric Shareholders</b>	Page <b>2</b>
<b>Corporate information and advisors</b>	<b>3</b>
<b>Salient dates and times</b>	<b>5</b>
<b>Definitions and interpretations</b>	<b>6</b>
<b>Circular to AfroCentric Shareholders</b>	
1. Introduction	9
2. Purpose of this Circular	10
3. The Redeemable Preference Shares	10
4. Exercise of the Call Option	11
5. Issue of New Ordinary Shares and payment of Redemption Price	11
6. Redemption of the AfroCentric Preference Shares	11
7. Pro forma financial effects of the exercise of the Call Option	12
8. Directors of AfroCentric	14
9. Consents	15
10. Opinions and recommendations	15
11. Exchange Control Regulations	15
12. Taxation implications of redemption	16
13. Documents available for inspection	16
<b>Annexure 1</b> Reporting Accountant's Report	17
<b>Annexure 2</b> <i>Pro forma</i> financial information	19
<b>Annexure 3</b> Table of entitlements to New Ordinary Shares at the Last Practicable Date	28
<b>Annexure 4</b> Copy of the rights, privileges and obligations of the Redeemable Preference Shares	29
<b>Annexure 5</b> Trading history of Preference Shares and Ordinary Shares on the JSE	32
<b>Form of exercise and surrender (<i>pink</i>) for use by Certificated AfroCentric Preference Shareholders only</b>	[Attached]

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## SALIENT DATES AND TIMES

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The salient dates in respect of the Call Option and redemption of the AfroCentric Preference Shares are set out below. Any changes to these dates will be announced on SENS.

**2013/2014**

Record date for Preference Shareholders to receive the circular	Friday, 18 October
Post Circular and forms of exercise and surrender to Preference Shareholders	Monday, 28 October
Announce finalisation information	Friday, 1 November
Contingent Ordinary Shares and Executive Share Awards listed on the JSE	Thursday, 14 November
Record date for exercise by Certificated Preference Shareholders of Call Option	Friday, 15 November
Certificated Preference Shareholders election date at 12h00 to be issued with New Ordinary Shares	Friday, 15 November
Last day to trade for Dematerialised Preference Shareholders in order to exercise Call Options	Friday, 20 December
Last day to trade for Redemption of Preference Shares	Friday, 20 December
Preference Shares suspended as from commencement of trade	Monday, 23 December
Listing of maximum number of New Ordinary Shares in respect of Preference Shares Call Option exercised	Tuesday, 24 December
Record date for exercise by Dematerialised Preference Shareholders of Call Option	Tuesday, 31 December
Dematerialised Preference Shareholders election date at 12h00 who elect to be issued with New Ordinary Shares	Tuesday, 31 December
Call Options lapse (17h00)	Tuesday, 31 December
Results of election announced on SENS	Friday, 3 January
Issue of New Ordinary Shares	Friday, 3 January
Payment date of Redemption Price	Monday, 6 January
Redeemable Preference Shares delisted at close of trading	Monday, 6 January

### NOTE:

Share certificates may not be dematerialised or rematerialised after 20 December 2013.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them in the second column below, reference to the singular shall include the plural and vice versa, words denoting one gender shall include the other genders, and an expression denoting natural persons shall include juristic persons and associations of persons:

“the 2008 Acquisition Agreement”	the share purchase agreement dated 22 September 2008 between AfroCentric, Lethimvula and the Sellers relating to the acquisition by AfroCentric, or by a directly or indirectly wholly-owned subsidiary of AfroCentric, of shares, representing 63.2% of the entire issued share capital of Lethimvula;
“the Act” or “Companies Act”	the Companies Act 71 of 2008, as amended;
“AfroCentric” or “the Company”	AfroCentric Investment Corporation Limited (Registration Number 1988/000570/06), a public company duly registered and incorporated under the laws of South Africa whose entire issued share capital is listed on the JSE;
“AfroCentric Ordinary Shareholders”	registered holders of AfroCentric Ordinary Shares;
“AfroCentric Ordinary Shares” or “Ordinary Shares”	ordinary shares in the share capital of AfroCentric;
“AfroCentric Preference Shareholders” or “Preference Shareholders”	registered holders of AfroCentric Preference Shares;
“AfroCentric Preference Shares” or “Redeemable Preference Shares” or “Preference Shares”	redeemable Preference Shares in the share capital of AfroCentric;
“AfroCentric Register”	the register of Certificated AfroCentric Shareholders maintained by the Transfer Secretaries and incorporating the AfroCentric Sub-registers;
“AfroCentric Shareholders”	collectively, AfroCentric Ordinary Shareholders and AfroCentric Preference Shareholders;
“AfroCentric Shares”	collectively, AfroCentric Ordinary Shares and AfroCentric Preference Shares;
“AfroCentric Sub-registers”	the registers of AfroCentric Shareholders administered and maintained by the CSDPs and forming part of the AfroCentric Register;
“Board”	the board of directors of AfroCentric;
“Broker”	any person registered as a “broking member (equities)” in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	a day other than a Saturday, Sunday or official public holiday in South Africa;
“Call Option”	the right and option granted to each of the AfroCentric Preference Shareholders in terms of the Preference Share Rights to be issued with New Ordinary Shares by means of a redemption of the Preference Shares;
“Certificated AfroCentric Shareholders”	AfroCentric Shareholders who hold certificated AfroCentric Shares;
“Certificated Preference Shareholders”	Preference Shareholders who hold certificated AfroCentric Preference Shares;

“Certificated AfroCentric Shares”	AfroCentric Shares represented by share certificates or other physical Documents of Title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
“Circular”	this bound circular, dated 28 October 2013, including all annexures and attachments hereto;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
”Contingent Ordinary Shares”	the second tranche of AfroCentric Ordinary Shares to be issued prior to the Final Exercise Date in terms of the 2008 Acquisition Agreement;
“Day”	a calendar day;
“Dematerialise” or “Dematerialisation”	the process by which AfroCentric Shares held by Certificated AfroCentric Shareholders are converted or held in electronic form as uncertificated shares and recorded in the AfroCentric Sub-registers, administered and maintained by the CSDPs;
“Dematerialised AfroCentric Shareholders”	AfroCentric Shareholders who hold Dematerialised AfroCentric Shares;
“Dematerialised AfroCentric Shares”	AfroCentric Shares which have been Dematerialised in terms of the requirements of Strate through a CSDP or Broker and which are held in electronic form on the AfroCentric Sub-registers;
“Dematerialised Preference Shareholders”	Preference Shareholders who hold Dematerialised AfroCentric Preference Shares;
“Documents of Title”	share certificates, transfer deeds forms, balance receipts or any other documents of title acceptable to AfroCentric in respect of Certificated AfroCentric Shareholders;
“Emigrant”	any emigrant from the Common Monetary Area whose address is outside of the Common Monetary Area;
“Executive Share Awards”	the AfroCentric Ordinary Shares to be issued to the management of Lethimvula and its subsidiaries in terms of the 2008 Acquisition Agreement;
“Final Exercise Date”	12h00 on Friday, 15 November 2013 in respect of Certificated Preference Shareholders and 12h00 on Tuesday, 31 December 2013 in respect of Dematerialised Preference Shareholders;
“Financial Markets Act”	the Financial Markets Act 19 of 2012, as amended;
“Financial Services Act”	the Financial Services Act 36 of 2004, as amended and repealed by the Financial Markets Act (formerly known as The Security Services Act);
“IFRS”	International Financial Reporting Standards;
“JSE”	JSE Limited (Registration Number 2005/0222939/06), a public company duly registered and incorporated under the laws of South Africa, licensed as an exchange under the Financial Services Act;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Friday, 18 October 2013;

“Lethimvula”	Lethimvula Investments Limited (Registration Number 2006/005087/06), an unlisted public company, duly registered and incorporated under the laws of South Africa, now known as AfroCentric Health Limited and a 94,07% held subsidiary of AfroCentric;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“MOI”	the Memorandum of Incorporation of the Company currently in force;
“New Ordinary Shares”	the specific portion of authorised but unissued Ordinary Shares (as calculated and determined in accordance with the Formula set out in 8.2 of the Preference Share Rights and as recorded in Annexure 4 of this Circular on page 29, which sets out the number of New Ordinary Shares that each of the AfroCentric Preference Shareholders will be entitled to be issued with on the exercise of the Call Option;
“Own-Name Dematerialised AfroCentric Shareholders”	Dematerialised AfroCentric Shareholders who have instructed their CSDP to hold their AfroCentric Shares in their own name on the AfroCentric Sub-registers;
“Rand” or “R”	South African Rand;
“Redemption Price”	the monies payable for the redemption of the AfroCentric Preference Shares, namely R0,91 per share, which is equal to the price per share that was originally payable to the Company by the subscribers for the AfroCentric Preference Shares;
“Reporting Accountant” or “SizweNtsalubaGobodo”	SizweNtsalubaGobodo Inc. (Registration Number M2005/034639/21) a private company duly registered and incorporated under the laws of South Africa, acting as reporting accountant to AfroCentric;
“Preference Share Rights”	the rights, privileges and obligations attributable to the AfroCentric Preference Shares set out in Schedule 2 of the MOI and in Annexure 4 of this Circular;
“SENS”	the Stock Exchange News Service of the JSE;
“South African Exchange Control Regulations”	the regulations of the body or department known as “FinSurv” catering for the application and administration of Exchange Control in South Africa;
“Strate”	Strate Limited (Registration Number 1998/022242/06), a public company duly registered and incorporated under the laws of South Africa, being a central securities depository in terms of the Securities Services Act and which operates in the electronic clearing and settlement system used by the JSE; and
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration Number 2004/003647/07), a private company duly registered and incorporated under the laws of South Africa.





# AFROCENTRIC GROUP

Incorporated in the Republic of South Africa  
Registration number 1988/000570/06  
JSE codes: ACT, ACTP  
ISIN: ZAE000078416 / ZAE000082269  
“AfroCentric” or “the Company”

## Directors of AfroCentric

AT Mokgokong	Non-Executive Chairman
D Dempers	Group Chief Executive
WRC Holmes	Group Financial Director
G Napier	Independent Non-Executive Director
Y Masithela	Independent Non-Executive Director
J Appelgryn	Independent Non-Executive Director
MI Sacks	Non-Executive Director
NB Bam	Non-Executive Director
B Joffe	Non-Executive Director
JM Kahn	Non-Executive Director
MJ Madungandaba	Non-Executive Director

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## CIRCULAR TO AFROCENTRIC SHAREHOLDERS

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### INTRODUCTION

- 1.1 As at the Last Practicable Date, the entire issued share capital of AfroCentric consists of –
  - 1.1.1 270 million Ordinary Shares; and
  - 1.1.2 16 638 million AfroCentric Preference Shares.
- 1.2 The issued share capital of AfroCentric is to be increased by 128 million Ordinary Shares prior to the Final Exercise Date. The 128 million Ordinary Shares to be issued prior to the Final Exercise Date comprises 100 805 395 Contingent Ordinary Shares and 27 million Ordinary Shares to be issued in terms of the Executive Share Awards. If the entire issued ordinary share capital of AfroCentric comprises 398 million Ordinary Shares (being the 270 010 639 Ordinary Shares in issue as at the Last Practicable Date plus the additional 128 million Ordinary Shares outlined above) and all of the Call Options are duly exercised -
  - 1.2.1 the issued ordinary share capital of AfroCentric will increase from 398 million Ordinary Shares to 468 018 863 Ordinary Shares by the issue of 70 202 829 Ordinary Shares (being the maximum number of Ordinary Shares that can be issued if all of the Call Options are exercised);
  - 1.2.2 the redemption of the AfroCentric Preference Shares in accordance with the Preference Share Rights on Monday, 6 January 2014; and
  - 1.2.3 the de-listing of the AfroCentric Preference Shares on the JSE at the close of trading on Monday, 6 January 2014.

## 2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to;

- 2.1 remind the Certificated Preference Shareholders that their Call Options will lapse with effect from close of trading on Tuesday, 31 December 2013 should they not exercise their Call Options by 12h00 on Friday, 15 November 2013;
- 2.2 remind the Dematerialised Preference Shareholders that their Call Options will lapse with effect from close of trading on Tuesday, 31 December 2013 should they not exercise their Call Options by 12h00 on Tuesday, 31 December 2013; and
- 2.3 furnish the AfroCentric Preference Shareholders with information concerning the Call Option, the number of New Ordinary Shares which may be issued if the Call Option is exercised and the financial effects so as to enable an informed decision on the part of the AfroCentric Preference Shareholders regarding whether or not to exercise the Call Option on or before the Final Exercise Date.

## 3. THE REDEEMABLE PREFERENCE SHARES

- 3.1 Details of the rights, privileges and obligations attributable to the AfroCentric Preference Shares, as set out in Schedule 2 of the MOI, have been attached to and form part of this Circular as Annexure 4 on page 29.
- 3.2 The Preference Share Rights provide, *inter alia*, that a Preference Shareholder is entitled to exercise the Call Option for the New Ordinary Shares to be issued by the Company.
- 3.3 The Preference Shares will be redeemed by the issue of a number of New Ordinary Shares that is equal to 15% of the Ordinary Shares in issue after the issue of the New Ordinary Shares. (Based on the projected issued Ordinary Shares of 398 million Ordinary Shares, the exchange ratio is 4.2194 Ordinary Shares per Preference Share in issue. The number of 398 million Ordinary Shares is based on the 270 million Ordinary Shares in issue at the Last Practicable Date, plus 100 805 395 Contingent Ordinary Shares and 27 million Ordinary Shares to be issued in terms of the Executive Share Awards).
- 3.4 Preference Shareholders have no further rights to be paid any dividends or other distributions in respect of the Redeemable Preference Shares (other than those dividends which may be in arrears) from the Final Exercise Date.
- 3.5 If any Preference Shareholders do not elect to exercise their Call Option timeously, then the rights of the Preference Shareholder concerned shall automatically lapse with effect from close of trading on Tuesday, 31 December 2013, in which event no rights of whatever nature will attach to the Preference Shareholder concerned, other than to have the relevant Redeemable Preference Shares redeemed against payment of the Redemption Price thereof.
- 3.6 Preference Shareholders who elect to exercise the Call Option in part –
  - 3.6.1 have no further rights to be paid any dividends or other distributions in respect of the Redeemable Preference Shares in respect of which the Call Option has been exercised (other than those dividends which may be in arrears) from the Final Exercise Date; and
  - 3.6.2 will, against delivery of the relevant documentation in respect of Certificated AfroCentric Shareholders and automatically in respect of Preference Shareholders whose Preference Shares have been Dematerialised, be paid the Redemption Price in respect of those Preference Shares in respect of which the Call Option is not exercised.
- 3.7 Application has been made to the JSE for the delisting of the Redeemable Preference Shares with effect from close of trading on Monday, 6 January 2014.
- 3.8 It is recorded that prior to the Last Practicable Date, no Call Option has been exercised.
- 3.9 Preference Shareholders who are also Directors of AfroCentric are set out in paragraph 8 hereof.

#### **4. EXERCISE OF THE CALL OPTION**

- 4.1 AfroCentric Preference Shareholders who wish to exercise the Call Option may do so either in whole or in part.
- 4.2 Certificated Preference Shareholders who wish to exercise the Call Option must by not later than 12h00 on 15 November 2013 complete the form of exercise and surrender (pink) and simultaneously deliver their Preference Share certificates and/or other Documents of Title to the Transfer Secretaries. Forms of exercise and surrender may be;
- faxed to +27116885210; or
  - e-mailed to [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za)

by not later than 12h00 on 15 November 2013.

NOTE: The completed form of acceptance and surrender will be rejected, the Preference Shares will be automatically redeemed and the Preference Share certificate and/or Documents of Title will be held over for payment of the Redemption Price on Monday, 6 January 2014, if they are not received on or before 12h00 on the Final Exercise Date.

NOTE: Certificated Preference Shareholders who dematerialise their AfroCentric Preference Shares will have until not later than 12h00 on Tuesday, 31 December 2013 to make an election.

- 4.3 Dematerialised Preference Shareholders must, prior to the Final Exercise Date in terms of the agreement between the shareholders and their CSDP or Broker, instruct their CSDP or Broker accordingly.

#### **5. ISSUE OF NEW ORDINARY SHARES AND PAYMENTS OF REDEMPTION PRICE**

- 5.1 The issue of the New Ordinary Shares shall be effected by a redemption of the Redeemable Preference Shares in respect of which the Call Option was exercised. Application has been made to the JSE for the listing of the New Ordinary Shares.
- 5.2 Payment of the Redemption Price to Certificated AfroCentric Shareholders who have exercised the Call Option in part or who have not exercised their Call Option timeously shall be effected in Rand by AfroCentric at the risk of the relevant Certificated AfroCentric Shareholder either by cheque sent by ordinary post to the address of each Certificated AfroCentric Shareholder as recorded in the AfroCentric Register or by electronic funds transfer to such bank account nominated in writing by any holder of AfroCentric Preference Shares for such purpose. Payment in respect of AfroCentric Preference Shareholders whose AfroCentric Preference Shares have been Dematerialised will be made to the relevant CSDP or Broker. No payment of the Redemption Price shall be made to Certificated AfroCentric Shareholders who have not exercised their Call Option timeously unless they have completed the form of exercise and surrender (pink) for use by Certificated AfroCentric Shareholders only and submitted it, together with their Preference Share certificates and/or Documents of Title to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).
- 5.3 No payment is required to be made by any Preference Shareholder to the Company in respect of the exercise of the Call Option, the issue of New Ordinary Shares or the redemption of any Preference Shares.

#### **6. REDEMPTION OF THE AFROCENTRIC PREFERENCE SHARES**

- 6.1 The AfroCentric Preference Shares will be automatically redeemed on Monday, 6 January 2014 irrespective of whether the Call Option has been exercised or not. The Redemption Price of R0 91 per Preference Share becomes payable in respect of those Preference Shares in respect of which the Call Option is not exercised or is exercised in part.
- 6.2 On the lapsing of the Call Options that have not been exercised, the Company shall automatically redeem the Redeemable Preference Shares which have been Dematerialised. No redemption of Redeemable Preference Shares which have not been Dematerialised will occur unless the form of exercise and surrender (pink) for use by Certificated AfroCentric Shareholders has been completed and submitted, together with their Preference Share certificates and/or Documents of Title to the Transfer Secretaries. The Redemption Price will be settled out of monies which may be lawfully applied for that purpose on the basis that the price payable for each Preference Share on redemption will be at a Redemption Price equal to the subscription price paid per Preference Share, provided that should the Company not have sufficient reserves to redeem the Preference Share at a Redemption Price equal to the subscription price of the Preference Share then the price at which each Preference Share shall be redeemed shall be calculated by taking the reserves available for the redemption of the Redeemable Preference Shares and dividing that amount by the number of Redeemable Preference Shares to be redeemed.

AfroCentric has sufficient funds to redeem the Redeemable Preference Shares in respect of all the Call Options should the Call Options not be exercised and the Redemption Price of R0 91 per Preference Share will be paid on Monday, 6 January 2014.

- 6.3 On Monday, 6 January 2014 the Company shall redeem the Redeemable Preference Shares in respect of which the Call Options have been exercised out of an issue of the New Ordinary Shares in respect of which the Call Options have been exercised.

## 7. **PRO FORMA FINANCIAL EFFECTS OF THE EXERCISE OF THE CALL OPTION**

The pro forma financial effects of the exercise of the Call Option has been prepared for illustrative purposes only to provide information about how the exercise of the Call Option will affect the financial position of the AfroCentric Shareholders, assuming that the Preference Shareholders elect to exercise the Call Option in respect of 100% of the Preference Shares in Option 1 and 100% of the Preference Shareholders' Preference Shares are redeemed for the Redemption Price of the Preference Shares in Option 2 by illustrating the effect thereof on the basic EPS and diluted basic EPS and HEPS and DHEPS of AfroCentric as if the exercise of the Call Option had become effective on 1 July 2012 so that the impact is for a full financial year, and, for the purpose of NAVPS and NTAVPS of AfroCentric, as if the exercise of the Call Option became effective on 30 June 2013.

Because of its nature the pro forma financial effects may not give a fair presentation of AfroCentric's financial position, changes in equity, results of operations and performance after the exercise of the Call Option. The pro forma financial effects have been compiled using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated financial statements of AfroCentric for the 12 months ended 30 June 2013.

The only two subsequent events that have been adjusted to the pro forma financial effects is the issue of the additional 100 805 395 Contingent Ordinary Shares resulting from the 2008 Acquisition Agreement as well as the 27 million AfroCentric Ordinary Shares to be issued in respect of the Executive Share Awards. The Contingent Ordinary Shares and Executive Share Awards are treated as a subsequent event because they will be issued after year end (30 June 2013) on 14 November 2013 in terms of the 2008 Acquisition Agreement, but before the redemption of the Preference Shares.

The Contingent Ordinary Shares are recognised and measured in terms of IFRS 3 and the Executive Share Awards are measured and recognised in terms of IFRS 2. The number of New Ordinary Shares to be issued will be based on the number of Ordinary Shares in issue on the Final Exercise Date. On the Final Exercise Date, the Executive Share Awards and the Contingent Ordinary Shares would have been issued, therefore affecting the number of New Ordinary Shares to be issued on redemption of the Preference Shares. The pro forma statement of financial position and statement of comprehensive income is set out in Annexure 2 and the independent accountants' assurance report is set out in Annexure 1.

The preparation of the pro forma financial effects and financial information is the responsibility of AfroCentric's directors.

The detailed pro forma financial information and notes thereto as a result of the redemption of the Preference Shares are set out below

### **OPTION 1: Assumes exercise of the Call Option in respect of 100% of all Preference Shares**

	<b>30 June 2013 audited results</b>	<b>Subsequent Events</b>	<b>Prior to redemption</b>	<b>Adjustment</b>	<b>After the redemption</b>	<b>Percentage</b>
Basic EPS (cents)	60.75 <sup>1</sup>	(18.01) <sup>2</sup>	42.74 <sup>3</sup>	(6.63) <sup>4</sup>	36.11 <sup>5</sup>	- 15% <sup>6</sup>
Basic HEPS (cents)	48.15 <sup>1</sup>	(14.28) <sup>2</sup>	33.87 <sup>3</sup>	(5.25) <sup>4</sup>	28.62 <sup>5</sup>	- 15% <sup>6</sup>
Diluted EPS (cents)	36.11 <sup>1</sup>	–	36.11 <sup>3</sup>	–	36.11 <sup>5</sup>	–
Diluted HEPS	28.62 <sup>1</sup>	–	28.62 <sup>3</sup>	–	28.62 <sup>5</sup>	–
NAVPS (cents)	372.46 <sup>1</sup>	(117.43) <sup>2</sup>	255.03 <sup>3</sup>	(39.53) <sup>4</sup>	215.50 <sup>5</sup>	- 15% <sup>6</sup>
NTAVPS (cents)	139.11 <sup>1</sup>	(48.23) <sup>2</sup>	90.88 <sup>3</sup>	(14.09) <sup>4</sup>	76.79 <sup>5</sup>	- 15% <sup>6</sup>
Weighted average number of shares in issue	269 256 170 <sup>1</sup>	113 494 163 <sup>2</sup>	382 750 333 <sup>3</sup>	70 202 829 <sup>4</sup>	452 953 162 <sup>5</sup>	18% <sup>6</sup>
Diluted shares in issue	452 953 162 <sup>1</sup>	–	452 953 162 <sup>3</sup>	–	452 953 162 <sup>5</sup>	–
Number of shares in issue	270 010 639 <sup>1</sup>	127 805 395 <sup>2</sup>	397 816 034 <sup>3</sup>	70 202 829 <sup>4</sup>	468 018 863 <sup>5</sup>	18% <sup>6</sup>

**Notes:**

1. The financial information in the “30 June 2013 audited results” column has been prepared based on AfroCentric’s audited consolidated financial results for the 12 months ended 30 June 2013 in terms of which an unqualified audit opinion was issued. The diluted Ordinary Shares in issue include the New Ordinary Shares to be issued pursuant to the potential exercise of the Call Option, the Contingent Ordinary Share issue (100 805 395) to Shareholders as well as the 27 million Executive Share Awards. The Executive Share Awards are reserved for executives of Lethimvula and are recognised and measured in terms of IFRS 2 and the Contingent Ordinary Shares are measured and recognised in terms of IFRS 3. The Contingent Ordinary Shares and Executive Share Awards are to be issued in terms of the 2008 Acquisition Agreement and are dilutive as they will be issued to Shareholders and executives, respectively, on 14 November 2013 and the new shareholders are not required to make any cash payments. The New Ordinary Shares are dilutive as the holders of the Preference Shares will not be required to make any cash payment for the exercise of the Call Option.

2. The figures in the “Subsequent Events” Column represent the effects of the 100 805 395 Contingent Ordinary Shares (resulting from the 2008 Acquisition Agreement) and 27 million AfroCentric Ordinary Shares to be issued in respect of the Executive Share Awards. The transactions are noted as subsequent events on the basis that they will take place after year end (30 June 2013), but before redemption of the Preference Shares. The subsequent events have been included on the basis that the number of the New Ordinary Shares that are issuable on the exercise of the Call Options are determined with reference to the number of Ordinary Shares in issue at the date of exercise of the Call Options. The number of Contingent Ordinary Shares is determined in accordance with the provisions of the 2008 Acquisition Agreement. The number of Executive Share Awards is based on the number of share options issued to management of Lethimvula.

3. The figures in the “Prior to redemption” column assume that the issue of 27 million Ordinary Shares under the Executive Share Awards and 100 805 395 Contingent Ordinary Shares has taken place. In terms of IAS 32, the Preference Shares are already accounted for as equity and accordingly there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Shares dividends. The Preference Share dividends have been accounted for in the statement of changes in equity as they are distributed out of contributed tax capital. The preference shares dividend paid for the 30 June 2013 financial year amounted to R4 958 124.

4. The figures in the “Adjustment” column assume that the Preference Shares have been redeemed through the exercise of Call Options for 70 202 829 New Ordinary Shares. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Shares dividends. In terms of the rights attaching to the Preference Shares the maximum number of New Ordinary Shares that can be issued on redemption of the Preference Shares is 15% of the issued Ordinary Shares of Afrocentric after the issue of the New Ordinary Shares.

5. The figures in the “After redemption” column assume the exercise of the Call Option in respect of 100% of the Preference Shares has occurred. All adjustments are expected to have a continuing effect.

6. The “Percentage” column is calculated as the difference between “Prior to the redemption” column and the “After the redemption” column. This column reflects the effect of the redemption of the Preference Shares only.

**OPTION 2: Assumes the redemption of 100% of the Preference Shares for cash**

	30 June 2013 audited results	Subsequent Events	Prior to redemption	Adjustment	After the redemption	Percentage
Basic EPS (cents)	60.75 <sup>1</sup>	(18.01) <sup>2</sup>	42.75 <sup>3</sup>	-0.16 <sup>4</sup>	42.59 <sup>5</sup>	- % <sup>6</sup>
Basic HEPS (cents)	48.15 <sup>1</sup>	(14.28) <sup>2</sup>	33.87 <sup>3</sup>	-0.15 <sup>4</sup>	33.72 <sup>5</sup>	- % <sup>6</sup>
Diluted EPS (cents)	36.11 <sup>1</sup>	-	36.11 <sup>3</sup>	6.48 <sup>4</sup>	42.59 <sup>5</sup>	18% <sup>6</sup>
Diluted HEPS	28.62 <sup>1</sup>	-	28.62 <sup>3</sup>	5.10 <sup>4</sup>	33.72 <sup>5</sup>	18% <sup>6</sup>
NAVPS (cents)	372.46 <sup>1</sup>	(117.43) <sup>2</sup>	255.03 <sup>3</sup>	(4.10) <sup>4</sup>	250.93 <sup>5</sup>	- 2% <sup>6</sup>
NTAVPS (cents)	139.11 <sup>1</sup>	(48.23) <sup>2</sup>	90.88 <sup>3</sup>	(4.10) <sup>4</sup>	86.78 <sup>5</sup>	- 5% <sup>6</sup>
Weighted average number of shares in issue	269 256 170 <sup>1</sup>	113 494 163 <sup>2</sup>	382 750 333 <sup>3</sup>	-	382 750 333 <sup>5</sup>	-
Diluted shares in issue	452 953 162 <sup>1</sup>	-	452 953 162 <sup>3</sup>	(70 202 829) <sup>4</sup>	382 750 333 <sup>5</sup>	-
Number of shares in issue	270 010 639 <sup>1</sup>	127 805 395 <sup>2</sup>	397 816 034 <sup>3</sup>	-	397 816 034 <sup>5</sup>	-

**Notes:**

1. The financial information in the “30 June 2013 audited results” column has been prepared based on AfroCentric’s audited consolidated financial results for the 12 months ended 30 June 2013 in terms of which an unqualified audit opinion was issued. The diluted Ordinary Shares in issue include the Contingent Ordinary Share issue (100 805 395) to Shareholders as well as the 27 million Executive Share Awards. The Executive Share Awards are reserved for executives of Lethimvula and are recognised and measured in terms of IFRS 2. The Contingent Ordinary Shares and Executive Share Awards are dilutive because they will be issued to Shareholders and executives, respectively, on 14 November 2013 and the new shareholders are not required to make any cash payments.

2. The figures in the “Subsequent Events” Column represent the effects of the 100 805 395 Contingent Ordinary Shares (resulting from the 2008 Acquisition Agreement) and 27 million AfroCentric Ordinary Shares to be issued in respect of the Executive Share Awards. The transactions are noted as subsequent events on the basis that they will take place after year end (30 June 2013), but before redemption of the Preference Shares.

3. The figures in the “Prior to the redemption” column assume the issue of 27 million Ordinary Shares under the Executive Share Awards and 100 805 395 Contingent Ordinary Shares has taken place. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Share dividends. The Preference Share dividends have been accounted for in the statement of changes in equity as they are distributed out of contributed tax capital. The preference shares dividend paid for the 30 June 2013 financial year amounted to R4 958 124.

4. The figures in the “Adjustment” column assume the Preference Shares have been redeemed for cash. The Preference Shareholders are assumed to have not exercised the Call Option and will receive the Redemption Price in cash on redemption of the Preference Shares in the “After the redemption” column.

5. The figures in the “After redemption” column assume the Preference Shares have been redeemed for cash. After the redemption of the Preference Shares for cash there will no longer be any New Ordinary Shares to issue, hence there will be no potential dilutive shares in issue. All adjustments are expected to have a continuing effect.

6. The “Percentage” column is calculated as the difference between “Prior to the redemption” column and the “After the redemption” column. This column reflects the effect of the redemption of all of the Preference Shares for cash only.

**8. DIRECTORS OF AFROCENTRIC**

8.1 The following directors hold the following interests in the AfroCentric Preference Shares:

Director	Beneficial		Non-Beneficial	
	Direct	Indirect	Indirect	Percentage Held <sup>a</sup> (%)
B Joffe	–	2 548 182		15.31
J M Kahn	3 784 981	–		22.75
M I Sacks	3 784 981	–		22.75
<b>Total</b>	<b>7 569 962</b>	<b>2 548 182</b>		<b>60.81</b>

**Note:**

- Based on 16 638 000 AfroCentric Preference Shares in issue at the Last Practicable Date.
- The above interests have not changed between the release of its results for the year ended 30 June 2013 and the Last Practicable Date.
- The directors’ interests in AfroCentric Preference Shares will terminate with effect from the Final Exercise Date as New Ordinary Shares are to be subscribed for by those members of the Board who currently hold any of the Redeemable Preference Shares.
- The directors of AfroCentric hold no direct beneficial or indirect non-beneficial interests in AfroCentric Preference shares, other than the interests set out above.

8.2 The directors whose details are set out in paragraph 8.1 above intend to exercise the Call Option in respect of all the AfroCentric Preference Shares held by them, whether directly or indirectly. This represents 60.81% of the Preference Shares in issue. An undertaking in favour of AfroCentric to do so has been signed by the relevant directors. In addition, Eagle Creek Investments 605 (Pty) Limited holding 2 136 800 Preference Shares representing 12.84% of the Preference Shares in issue has provided a written undertaking in favour of AfroCentric to exercise the Call Option in respect of all the Preference Shares held by it. The undertakings provided form part of the Documents which are available for inspection

- 8.3 The directors, whose names are given on page 9 of this Circular collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

## 9. CONSENTS

Each of the advisors set out in the “Corporate Information and Advisors” section of this Circular have provided their written consent to act in the capacity stated and to their names being used in this Circular.

## 10. OPINIONS AND RECOMMENDATIONS

The Board has considered the terms and conditions of the Call Option, and is of the opinion that the terms and conditions thereof are favourable to the AfroCentric Preference Shareholders. The Board recommends that AfroCentric Preference Shareholders duly exercise the Call Option and acquire the New Ordinary Shares by means of the redemption of the Redeemable Preference Shares.

## 11. EXCHANGE CONTROL REGULATIONS

AfroCentric Preference Shareholders who are Emigrants from, or non-residents of, the Common Monetary Area will receive the Redemption Price subject to and in terms of the South African Exchange Control Regulations.

AfroCentric Preference Shareholders who are not residents in, or who have registered addresses outside of South Africa must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Redemption Price, including any requisite governmental or other consents, observing any other formalities and paying any issue, transfer or other taxes due in such territory.

The following is a summary of the South African Exchange Control Regulations in so far as they have application to the AfroCentric Preference Shareholders which is intended as a guide only and is therefore not comprehensive. In the event that AfroCentric Preference Shareholders have any doubts, they should consult their professional advisors as soon as possible.

### 11.1 Emigrants from the Common Monetary Area

11.1.1 The Redemption Price payable to the AfroCentric Preference Shareholders who are Emigrants from the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the South African Exchange Control Regulations will be deposited in a blocked Rand account with the authorised dealer in foreign exchange in South Africa controlling the remaining blocked Rand assets of the AfroCentric Preference Shareholder concerned.

11.1.2 The New Ordinary Shares to be issued to the AfroCentric Preference Shareholders who are Emigrants from the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the South African Exchange Control Regulations will be similarly endorsed and sent to the authorised dealer in foreign exchange in South Africa controlling such AfroCentric Preference Shareholders remaining blocked Rand assets.

### 11.2 All other non-residents outside of the Common Monetary Area

11.2.1 The Redemption Price payable to the AfroCentric Preference Shareholders who are not Emigrants from the Common Monetary Area, whose registered addresses are outside of the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the South African Exchange Control Regulations will be deposited in a non-resident account with the authorised dealer in foreign exchange in South Africa nominated by the AfroCentric Preference Shareholders concerned. The non-resident AfroCentric Preference Shareholders concerned may then transfer the Redemption Price, and it will be incumbent upon the non-resident AfroCentric Preference Shareholders concerned to instruct the nominated authorised dealer as to the treatment of the Redemption Price.

11.2.2 The New Ordinary Shares to be issued to the AfroCentric Preference Shareholders who are not Emigrants from the Common Monetary Area, whose registered addresses are outside of the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the South African Exchange Control Regulations will be endorsed “non-resident” and will be posted by registered post to the registered address of the non-resident AfroCentric Preference Shareholders concerned, unless written instructions to the contrary are received and an address is provided.

## 12. TAXATION IMPLICATIONS OF THE REDEMPTION

AfroCentric have consulted with their tax expert and in their opinion there is no implication for AfroCentric. There may be a tax implication on the Preference Shareholder in his personal capacity upon redemption of the Preference Shares in exchange for New Ordinary Shares and/or the Redemption Price. As the Redemption Price will be paid out of contributed tax capital, the redemption of the Preference Shares in exchange for New Ordinary Shares and/or the Redemption Price does not result in a dividend or deemed dividend and consequentially Dividend Withholding Tax is not payable by a Preference Shareholder.

Preference Shareholders are advised to consult their professional advisors about their individual tax positions regarding the redemption.

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this Circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office of AfroCentric from the date of this Circular until the Final Exercise Date:

- AfroCentric’s MOI which includes terms of the Preference Shares ;
- The 2013 Financial Statements and audited financial statements for the years ended 30 June 2012 and 30 June 2011;
- The Reporting Accountants Report included in Annexure 1 of this Circular;
- The written consents of each of the advisors set out in the “Corporate Information and Advisors” section of this Circular;
- Signed undertakings to exercise the Call Option; and
- A signed copy of this Circular.

Signed by M I Sacks on his own behalf as director of AfroCentric and on behalf of all of the other directors of the Company, he being duly authorised in terms of the powers of attorney granted to him by such other directors.



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28 October 2013  
Johannesburg

### **Registered office**

Statucor Proprietary Limited  
22 Wellington Road  
Parktown, 2193  
(Private Bag X60500, Houghton, 2041)

### **Transfer secretaries**

Computershare Investor Services Proprietary Limited  
Ground Floor  
70 Marshall Street  
Johannesburg 2001  
(PO Box 61763, Marshalltown, 2107)



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## ANNEXURE 1 – REPORTING ACCOUNTANT’S REPORT

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The Directors  
AfroCentric Investments Corporation Limited  
37 Conrad Road  
Florida North  
Roodepoort  
1709

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

#### **To the Directors of AfroCentric Investments Corporation Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of AfroCentric Investments Corporation Limited by the directors. The pro forma financial information, as set out in paragraph 7 on page 12 and pages 19 - 27 of the circular, consists of pro forma statement of financial position, pro forma statement of comprehensive income and the condensed statement of comprehensive income and related notes. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements, and described on page 19 of the circular.

The pro forma financial information has been compiled by the directors to illustrate the impact of the corporate action, described in Paragraph 3, on the company’s financial position as at 30 June 2013, and the company’s financial performance for the period then ended, as if the corporate action or event had taken place at 1 July 2012 and financial performance has been extracted by the directors from the company’s audited financial statements for the period ended 30 June 2013, on which an unqualified audit opinion was issued on 26 September 2013.

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

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described on page 16 of this circular.

#### **Reporting Accountant’s Responsibility**

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

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

As the purpose of pro forma financial information included in the circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the transaction at 15 November 2013 would have been as presented.

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

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

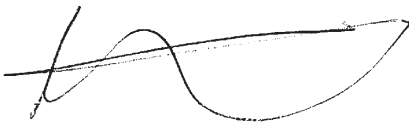
Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

### **Opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described on page 19.



**SizweNtsalubaGobodo Inc.**

**Director: A. Mthimunye**

Registered Auditor

Chartered Accountant (SA)

Registered Auditor

28 October 2013

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## **ANNEXURE 2 – PRO FORMA FINANCIAL INFORMATION**

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The pro forma financial effects of the redemption of the Preference Shares has been prepared for illustrative purposes only to provide information about how the redemption of the Preference Shares will affect the financial position of the AfroCentric Shareholders. Option 1 assumes that the Preference Shareholders elect to exercise the Call Option in respect of 100% of the Preference Shares. Option 2 assumes that 100% of the Preference Shareholders' Preference Shares are redeemed for the Redemption Price.

The pro forma financial effects illustrate the effect on the basic EPS and diluted basic EPS, HEPS and DHEPS of AfroCentric as if the exercise of the Call Option had become effective on 1 July 2012 so that the impact is for a full financial year, and, for the purpose of NAVPS and NTAVPS of AfroCentric, as if the exercise of the Call Option became effective on 30 June 2013.

Because of its nature the pro forma financial effects may not give a fair presentation of AfroCentric's financial position, changes in equity, results of operations and performance after the redemption of the Preference Shares. The pro forma financial effects have been compiled using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated financial statements of AfroCentric for the 12 months ended 30 June 2013.

The only two subsequent events that have been adjusted to the pro forma financial effects are the issue of the additional 100 805 395 Contingent Ordinary Shares and the 27 million AfroCentric Ordinary Shares to be issued in respect of the Executive Share Awards. The issue of these Ordinary Shares are treated as subsequent events because they will be issued after year end (30 June 2013) on 14 November 2013, but before the redemption of the Preference Shares. The issue of the Contingent Ordinary Shares was recognised and accounted for in terms of IFRS 3, the actual shares which comprise the Contingent Ordinary Shares will be issued on 14 November 2013 as stated above.

The New Ordinary Shares to be issued will be based on the number of Ordinary Shares in issue on the Final Exercise Date. On the Final Exercise Date, the Executive Share Awards and the Contingent Ordinary Shares will have been issued, therefore the number of New Ordinary Shares to be issued on redemption of the Preference Shares takes the issue of the Contingent Ordinary Shares and the issue of the Executive Share Awards into account.

The preparation of the pro forma financial effects and financial information is the responsibility of AfroCentric's directors.

## OPTION 1

**THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION IS BASED ON THE ASSUMPTION THAT 100% OF THE PREFERENCE SHARES ARE REDEEMED BY THE ISSUE OF NEW ORDINARY SHARES ONLY**

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 30 June 2013 Results <sup>1</sup>	Subsequent Events <sup>2</sup>	Prior to redemption <sup>3</sup>	Adjustments <sup>4</sup>	After the redemption <sup>5</sup>	Percentage change <sup>7</sup>
	R'000				R'000	%
<b>ASSETS</b>						
<b>Non-current assets</b>	<b>1 031 881<sup>1</sup></b>	–	<b>1,031,881<sup>3</sup></b>	–	<b>1,031,881<sup>5</sup></b>	–
Property, plant and equipment	90 349 <sup>1</sup>	–	90 349 <sup>3</sup>	–	90 349 <sup>5</sup>	–
Investment property	15 000 <sup>1</sup>	–	15 000 <sup>3</sup>	–	15 000 <sup>5</sup>	–
Intangible assets	628 305 <sup>1</sup>	–	628 305 <sup>3</sup>	–	628 305 <sup>5</sup>	–
Unlisted investments	280 <sup>1</sup>	–	280 <sup>3</sup>	–	280 <sup>5</sup>	–
Investment in associates	42 484 <sup>1</sup>	–	42 484 <sup>3</sup>	–	42 484 <sup>5</sup>	–
Investment in preference shares	100 000 <sup>1</sup>	–	100 000 <sup>3</sup>	–	100 000 <sup>5</sup>	–
Long term loan	74 000 <sup>1</sup>	–	74 000 <sup>3</sup>	–	74 000 <sup>5</sup>	–
Deferred income tax assets	81 463 <sup>1</sup>	–	81 463 <sup>3</sup>	–	81 463 <sup>5</sup>	–
<b>Current assets</b>	<b>496 780<sup>1</sup></b>	<b>(26 740)<sup>6</sup></b>	<b>470 040<sup>3</sup></b>	–	<b>470 040<sup>5</sup></b>	
Trade and other receivables	127 179 <sup>1</sup>	–	127 179 <sup>3</sup>	–	127 179 <sup>5</sup>	–
Receivables from associates and joint venture	2 378 <sup>1</sup>	–	2 378 <sup>3</sup>	–	2 378 <sup>5</sup>	–
Current tax asset	6 912 <sup>1</sup>	–	6 912 <sup>3</sup>	–	6 912 <sup>5</sup>	–
Prepayments	100 <sup>1</sup>	–	100 <sup>3</sup>	–	100 <sup>5</sup>	–
Cash and cash equivalents	360 211 <sup>1</sup>	(26 740) <sup>6</sup>	333 471 <sup>3</sup>	–	333 471 <sup>5</sup>	–
<b>Total assets</b>	<b>1 528 661<sup>1</sup></b>	<b>(26 740)<sup>6</sup></b>	<b>1 501 921<sup>3</sup></b>	<b>(15 709)<sup>4</sup></b>	<b>1 501 921<sup>5</sup></b>	–

	Audited 30 June 2013 Results <sup>1</sup>	Subsequent Events <sup>2,6</sup>	Prior to redemption <sup>3</sup>	Adjustments <sup>4</sup>	After the redemption <sup>5</sup>	Percentage change <sup>7</sup>
	R'000				R'000	%
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>	<b>1 002 874<sup>1</sup></b>	<b>(26 740)<sup>2</sup></b>	<b>976 134<sup>3</sup></b>	<b>–</b>	<b>976 134<sup>5</sup></b>	<b>–</b>
Issued capital	356 711 <sup>1</sup>	186 483 <sup>2</sup>	543 194 <sup>3</sup>	–	543 194 <sup>5</sup>	–
Ordinary Share Capital	349 317 <sup>1</sup>	186 483 <sup>2</sup>	535 800 <sup>3</sup>	7 394 <sup>4</sup>	543 194 <sup>5</sup>	1 % <sup>7</sup>
Preference Share Capital	7 394 <sup>1</sup>	–	7 394 <sup>3</sup>	(7 394) <sup>4</sup>	–	(100) % <sup>7</sup>
Contingent shares to be issued	137 258 <sup>1</sup>	(137 258) <sup>2</sup>	–	–	–	–
Share based awards reserve	49 225 <sup>1</sup>	(49 225) <sup>2</sup>	–	–	–	–
Treasury shares	(2 324) <sup>1</sup>	–	(2 324) <sup>3</sup>	–	(2 324) <sup>5</sup>	–
Foreign currency translation reserve	1 254 <sup>1</sup>	–	1 254 <sup>3</sup>	–	1 254 <sup>5</sup>	–
Distributable reserves	460 750 <sup>1</sup>	(26 740) <sup>6</sup>	434 010 <sup>3</sup>	–	434 010 <sup>5</sup>	–
Non-controlling interest	50,205 <sup>1</sup>	–	50 205 <sup>3</sup>	–	50 205 <sup>5</sup>	–
<b>Total equity</b>	<b>1 053 079<sup>1</sup></b>	<b>(26 740)<sup>6</sup></b>	<b>1 026 339<sup>3</sup></b>	<b>–</b>	<b>1 026 339<sup>5</sup></b>	<b>–</b>
<b>Non-current liabilities</b>	<b>268 375<sup>1</sup></b>	<b>–</b>	<b>268 375<sup>3</sup></b>	<b>–</b>	<b>268 375<sup>5</sup></b>	<b>–</b>
Deferred income tax liabilities	51 090 <sup>1</sup>	–	51 090 <sup>3</sup>	–	51 090 <sup>5</sup>	–
Interest Bearing Loan	200 000 <sup>1</sup>	–	200 000 <sup>3</sup>	–	200 000 <sup>5</sup>	–
Provisions	8 350 <sup>1</sup>	–	8 350 <sup>3</sup>	–	8 350 <sup>5</sup>	–
Post-employment medical obligations	3 551 <sup>1</sup>	–	3 551 <sup>3</sup>	–	3 551 <sup>5</sup>	–
Accrual for straight lining of leases	5 384 <sup>1</sup>	–	5 384 <sup>3</sup>	–	5 384 <sup>5</sup>	–
<b>Current liabilities</b>	<b>207 207<sup>1</sup></b>	<b>–</b>	<b>207 207<sup>3</sup></b>	<b>–</b>	<b>207 207<sup>5</sup></b>	<b>–</b>
Borrowings	7 926 <sup>1</sup>	–	7 926 <sup>3</sup>	–	7 926 <sup>5</sup>	–
Provisions	8 677 <sup>1</sup>	–	8 677 <sup>3</sup>	–	8 677 <sup>5</sup>	–
Trade and other payables	94 246 <sup>1</sup>	–	94 246 <sup>3</sup>	–	94 246 <sup>5</sup>	–
Taxation	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–
Employment benefit provisions	96 358 <sup>1</sup>	–	96 358 <sup>3</sup>	–	96 358 <sup>5</sup>	–
<b>Total liabilities</b>	<b>475 582<sup>1</sup></b>	<b>–</b>	<b>475 582<sup>3</sup></b>	<b>–</b>	<b>475 582<sup>5</sup></b>	<b>–</b>
<b>Total equity and liabilities</b>	<b>1 528 661<sup>1</sup></b>	<b>(26 740)<sup>6</sup></b>	<b>1 501 921<sup>3</sup></b>	<b>–</b>	<b>1 501 921<sup>5</sup></b>	<b>–</b>
NAVPS (cents)- Refer to paragraph 7	372.46 <sup>1</sup>	(117.43) <sup>2</sup>	255.03 <sup>3</sup>	(39.53) <sup>4</sup>	215.50 <sup>5</sup>	-15% <sup>7</sup>
NTAVPS (cents)- Refer to paragraph 7	139.11 <sup>1</sup>	(48.23) <sup>2</sup>	90.88 <sup>3</sup>	(14.09) <sup>4</sup>	76.79 <sup>5</sup>	-15% <sup>7</sup>

**Notes:**

- The financial information in the "Audited 30 June 2013 Results" column has been prepared based on AfroCentric's audited consolidated financial results for the 12 months ended 30 June 2013 in terms of which an unqualified audit opinion was issued. The diluted Ordinary Shares in issue include the New Ordinary Shares to be issued pursuant to the potential exercise of the Call Option, the Contingent Ordinary Share issue (100,805,395) to Shareholders as well as the 27 million Executive Share Awards. The Executive Share Awards are recognised and measured in terms of IFRS 2 and the Contingent Ordinary Shares are recognised and measured in terms of IFRS 3. The Contingent Ordinary Shares and Executive Share Awards are dilutive because they will be issued to Shareholders and executives, respectively, on 14 November 2013. This will have a potential dilutionary impact and therefore the impact has been included in the weighted diluted shares in issue. The New Ordinary Shares are dilutive as the holders of the Preference Shares will not be required to make any cash payment for the exercise of the Call Option.
- The figures in the "Subsequent Events" Column represent the effects of the 100,805,395 Contingent Ordinary Shares and 27 million AfroCentric Ordinary Shares to be issued in respect of the Executive Share Awards. The transactions are noted as subsequent events on the basis that they will take place after year end (30 June 2013), but before the redemption of the Preference Shares. The subsequent events have been included on the basis that the number of New Ordinary Shares that are issuable are determined with reference to the number of Ordinary Shares in issue at the date of exercise of the Call Options. The number of Contingent Ordinary Shares and Executive Share Awards are based on the terms of the 2008 Acquisition Agreement.
- The figures in the "Prior to redemption" column assume that the issue of 27 million Ordinary Shares under the Executive Share Awards and 100,805,395 Contingent Ordinary Shares has taken place. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric's statement of comprehensive income as there was no expense recognised for the Preference Share dividends. The Preference Share dividends have been accounted for in the statement of changes in equity as they are distributed out of contributed tax capital. The preference shares dividend paid for the 30 June 2013 financial year amounted to R4 958 124.
- The figures in the "Adjustment" column assume that the Preference Shares have been redeemed through the exercise of 70,202,829 New Ordinary Shares. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric's statement of comprehensive income as there was no expense recognised for the Preference Share dividends. In terms of the rights attaching to the Preference Shares the maximum number of Ordinary Shares that can be issued on redemption of the Preference Shares is 15% of the issued shares of AfroCentric after the issue of the New Ordinary Shares.
- The figures in the "After redemption" column assumes the Call Option has been exercised in respect of 100% of the Preference Shares. All adjustments are expected to have a continuing effect.
- The amount of R26,740,000 represents proceeds payable to the Lethimvula shareholders in accordance with the provisions of the 2008 Acquisition Agreement.
- "Percentage change" column is the percentage difference between the "Prior to redemption" column and the "After Redemption" column.

## OPTION 2

THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION IS BASED ON THE ASSUMPTION THAT 100% OF THE PREFERENCE SHARES ARE REDEEMED FOR CASH

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 30 June 2013 Results <sup>1</sup>	Subsequent Events <sup>2,6</sup>	Prior to redemption <sup>3</sup>	Adjustments <sup>4</sup>	After the redemption <sup>5</sup>	Percentage <sup>7</sup>
	R'000				R'000	%
<b>ASSETS</b>						
<b>Non-current assets</b>	<b>1 031 881<sup>1</sup></b>	–	<b>1 031 881<sup>3</sup></b>	–	<b>1 031 881<sup>5</sup></b>	–
Property, plant and equipment	90 349 <sup>1</sup>	–	90 349 <sup>3</sup>	–	90 349 <sup>5</sup>	–
Investment property	15 000 <sup>1</sup>	–	15 000 <sup>3</sup>	–	15 000 <sup>5</sup>	–
Intangible assets	628 305 <sup>1</sup>	–	628 305 <sup>3</sup>	–	628 305 <sup>5</sup>	–
Unlisted investments	280 <sup>1</sup>	–	280 <sup>3</sup>	–	280 <sup>5</sup>	–
Investment in associates	42 484 <sup>1</sup>	–	42 484 <sup>3</sup>	–	42 484 <sup>5</sup>	–
Investment in preference shares	100 000 <sup>1</sup>	–	100 000 <sup>3</sup>	–	100 000 <sup>5</sup>	–
Long term loan	74 000 <sup>1</sup>	–	74 000 <sup>3</sup>	–	74 000 <sup>5</sup>	–
Deferred income tax assets	81 463 <sup>1</sup>	–	81 463 <sup>3</sup>	–	81 463 <sup>5</sup>	–
<b>Current assets</b>	<b>496 780<sup>1</sup></b>	(26 740) <sup>6</sup>	<b>470 040<sup>3</sup></b>	<b>(15 709)<sup>4</sup></b>	<b>454 331<sup>5</sup></b>	<b>-3 %<sup>7</sup></b>
Trade and other receivables	127 179 <sup>1</sup>	–	127 179 <sup>3</sup>	–	127 179 <sup>5</sup>	–
Receivables from associates and joint venture	2 378 <sup>1</sup>	–	2 378 <sup>3</sup>	–	2 378 <sup>5</sup>	–
Current tax asset	6 912 <sup>1</sup>	–	6 912 <sup>3</sup>	–	6 912 <sup>5</sup>	–
Prepayments	100 <sup>1</sup>	–	100 <sup>3</sup>	–	100 <sup>5</sup>	–
Cash and cash equivalents	360 211 <sup>1</sup>	(26 740) <sup>6</sup>	333 471 <sup>3</sup>	(15 709) <sup>4</sup>	317 762 <sup>5</sup>	-5% <sup>7</sup>
<b>Total assets</b>	<b>1 528 661<sup>1</sup></b>	(26 740) <sup>6</sup>	<b>1 501 921<sup>3</sup></b>	<b>(15 709)<sup>4</sup></b>	<b>1 486 212<sup>5</sup></b>	<b>-1%<sup>7</sup></b>

	Audited 30 June 2013 Results <sup>1</sup>	Subsequent Events <sup>2</sup>	Prior to redemption <sup>3</sup>	Adjustments <sup>4</sup>	After the redemption <sup>5</sup>	Percentage change <sup>7</sup>
	R'000				R'000	%
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>	<b>1 002 874<sup>1</sup></b>	<b>(26 740)<sup>2</sup></b>	<b>976 134<sup>3</sup></b>	<b>(15 709)<sup>4</sup></b>	<b>960 425<sup>5</sup></b>	<b>-2%<sup>7</sup></b>
Issued capital	356 711 <sup>1</sup>	186 483 <sup>2</sup>	543 194 <sup>3</sup>	(15 141) <sup>4</sup>	528 053 <sup>5</sup>	-3% <sup>7</sup>
Ordinary Share Capital	349 317 <sup>1</sup>	186 483 <sup>2</sup>	535 800 <sup>3</sup>	(7 747) <sup>4</sup>	528 053 <sup>5</sup>	-1% <sup>7</sup>
Preference Share Capital	7 394 <sup>1</sup>	–	7 394 <sup>3</sup>	(7 394) <sup>4</sup>	–	-100% <sup>7</sup>
Contingent shares to be issued	137 258 <sup>1</sup>	(137 258) <sup>2</sup>	–	–	–	–
Share based awards reserve	49 225 <sup>1</sup>	(49 225) <sup>2</sup>	–	–	–	–
Treasury shares	(2 324) <sup>1</sup>	–	(2 324) <sup>3</sup>	–	(2 324) <sup>5</sup>	–
Foreign currency translation reserve	1 254 <sup>1</sup>	–	1 254 <sup>3</sup>	–	1 254 <sup>5</sup>	–
Distributable reserves	460 750 <sup>1</sup>	(26 740) <sup>6</sup>	434 010 <sup>3</sup>	(568) <sup>4</sup>	433 442 <sup>5</sup>	–
Non-controlling interest	50 205 <sup>1</sup>	–	50 205 <sup>3</sup>	–	50 205 <sup>5</sup>	–
<b>Total equity</b>	<b>1 053 079<sup>1</sup></b>	<b>(26 740)<sup>6</sup></b>	<b>1 026 339<sup>3</sup></b>	<b>(15 709)<sup>4</sup></b>	<b>1 010 630<sup>5</sup></b>	<b>-1%<sup>7</sup></b>
<b>Non-current liabilities</b>	<b>268 375<sup>1</sup></b>	<b>–</b>	<b>268 375<sup>3</sup></b>	<b>–</b>	<b>268 375<sup>5</sup></b>	<b>–</b>
Deferred income tax liabilities	51 090 <sup>1</sup>	–	51 090 <sup>3</sup>	–	51 090 <sup>5</sup>	–
Interest Bearing Loan	200 000 <sup>1</sup>	–	200 000 <sup>3</sup>	–	200 000 <sup>5</sup>	–
Provisions	8 350 <sup>1</sup>	–	8 350 <sup>3</sup>	–	8 350 <sup>5</sup>	–
Post-employment medical obligations	3 551 <sup>1</sup>	–	3 551 <sup>3</sup>	–	3 551 <sup>5</sup>	–
Accrual for straight lining of leases	5 384 <sup>1</sup>	–	5 384 <sup>3</sup>	–	5 384 <sup>5</sup>	–
<b>Current liabilities</b>	<b>207 207<sup>1</sup></b>	<b>–</b>	<b>207 207<sup>3</sup></b>	<b>–</b>	<b>207 207<sup>5</sup></b>	<b>–</b>
Borrowings	7 926 <sup>1</sup>	–	7 926 <sup>3</sup>	–	7 926 <sup>5</sup>	–
Provisions	8 677 <sup>1</sup>	–	8 677 <sup>3</sup>	–	8 677 <sup>5</sup>	–
Trade and other payables	94 246 <sup>1</sup>	–	94 246 <sup>3</sup>	–	94 246 <sup>5</sup>	–
Taxation	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–
Employment benefit provisions	96 358 <sup>1</sup>	–	96 358 <sup>3</sup>	–	96 358 <sup>5</sup>	–
<b>Total liabilities</b>	<b>475 582<sup>1</sup></b>	<b>–</b>	<b>475 582<sup>3</sup></b>	<b>–</b>	<b>475 582<sup>5</sup></b>	<b>–</b>
<b>Total equity and liabilities</b>	<b>1 528 661<sup>1</sup></b>	<b>(26 740)<sup>6</sup></b>	<b>1 501 921<sup>3</sup></b>	<b>(15 709)<sup>4</sup></b>	<b>1 486 212<sup>5</sup></b>	<b>-1%<sup>7</sup></b>
NAVPS (cents)- Refer to paragraph 7	372.46 <sup>1</sup>	(117.43) <sup>2</sup>	255.03 <sup>3</sup>	(4.10) <sup>4</sup>	250.93 <sup>5</sup>	-2% <sup>7</sup>
NTAVPS (cents)- Refer to paragraph 7	139.11 <sup>1</sup>	(48.23) <sup>2</sup>	90.88 <sup>3</sup>	(4.10) <sup>4</sup>	86.78 <sup>5</sup>	-5% <sup>7</sup>

**Notes:**

- The financial information in the "Audited 30 June 2013 Results" column has been prepared based on AfroCentric's audited consolidated financial results for the 12 months ended 30 June 2013 in terms of which an unqualified audit opinion was issued. The diluted Ordinary Shares in issue include the Contingent Ordinary Share issue (100 805 395) to Shareholders as well as the 27 million Executive Share Awards. The Executive Share Awards are recognised and measured in terms of IFRS 2. The Contingent Ordinary Shares and Executive Share Awards are dilutive because they will be issued to Shareholders and executives, respectively, in November 2013, without any cash receipts.
- The figures in the "Subsequent Events" Column represent the effects of the 100 805 395 Contingent Ordinary and 27 million AfroCentric Ordinary Shares to be issued in respect of the Executive Share Awards. The transactions are noted as subsequent events on the basis that they will take place after year end (30 June 2013), but before conversion of the Preference Shares in November 2013.
- The figures in the "Prior to redemption" column assume the issue of 27 million Ordinary Shares under the Executive Share Awards and 100 805 395 Contingent Ordinary Shares has taken place. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric's statement of comprehensive income as there was no expense recognised for the Preference Share dividends. The Preference Share dividends have been accounted for in the statement of changes in equity as they are distributed out of contributed tax capital.
- The figures in the "Adjustment" column assume the Preference Shares are redeemed for cash. The Preference Shareholders are assumed to have not exercised the Call Option and will receive the Redemption Price in cash on redemption of the Preference Shares in the "After the redemption" column. The Preference Shares will be redeemed if the Preference Shareholders do not exercise the Call Options timeously.
- The figures in the "After redemption" column assume the Preference Shares are redeemed for cash. After the redemption, there will no longer be any potential shares to issue, hence there will be no potential dilutive shares in issue. All adjustments are expected to have a continuing effect.
- The amount of R26 740 000 represents proceeds payable to the Lethimvula shareholders in accordance with the provisions of the 2008 Acquisition Agreement.
- "Percentage change" column is the percentage difference between the "Prior to redemption" column and the "After Redemption column".

## OPTION 1

**THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION IS BASED ON THE ASSUMPTION THAT 100% OF THE PREFERENCE SHARES ARE REDEEMED BY THE ISSUE OF NEW ORDINARY SHARES ONLY**

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited 30 June 2013 Results <sup>1</sup>	Subsequent Events <sup>2</sup>	Prior to redemption <sup>3</sup>	Adjustments <sup>5</sup>	After the redemption <sup>5</sup>	Percentage change <sup>6</sup>
	R'000				R'000	%
<b>Revenue</b>	<b>1 770 330</b> <sup>1</sup>		<b>1 770 330</b> <sup>3</sup>		<b>1 770 330</b> <sup>4</sup>	–
Operating costs	(1 436 673) <sup>1</sup>		(1 436 673) <sup>3</sup>		(1 436 673) <sup>4</sup>	–
<b>Operating profit</b>	<b>333 657</b> <sup>1</sup>		<b>333 657</b> <sup>3</sup>		<b>333 657</b> <sup>4</sup>	–
Other income	2 307 <sup>1</sup>		2 307 <sup>3</sup>		2 307 <sup>4</sup>	–
Net finance cost	8 168 <sup>1</sup>		8 168 <sup>3</sup>		8 168 <sup>4</sup>	–
Share of profit/(losses) from Jasco	(30 030) <sup>1</sup>		(30 030) <sup>3</sup>		(30 030) <sup>4</sup>	–
Share of profit/(losses) from Healthcare Associates	8 553 <sup>1</sup>		8 553 <sup>3</sup>		8 553 <sup>4</sup>	–
<b>Profit before impairment and amortisation</b>	<b>322 655</b> <sup>1</sup>		<b>322 655</b> <sup>3</sup>		<b>322 655</b> <sup>4</sup>	–
Reversal of impairment of investments	-		-		-	–
Fair value adjustment on associates	7 253 <sup>1</sup>		7 253 <sup>3</sup>		7 253 <sup>4</sup>	–
Fair value adjustment on investments in subs	5 252 <sup>1</sup>		5 252 <sup>3</sup>		5 252 <sup>4</sup>	–
Impairment of intangible asset	-		-		-	–
Impairment of investment	(0) <sup>1</sup>		(0) <sup>3</sup>		(0) <sup>4</sup>	–
IFRS 2 compliance adjustment	(39 868) <sup>1</sup>		(39 868) <sup>3</sup>		(39 868) <sup>4</sup>	–
Profit on sale of investment	51 014 <sup>1</sup>		51 014 <sup>3</sup>		51 014 <sup>4</sup>	–
Depreciation	(37 251) <sup>1</sup>		(37 251) <sup>3</sup>		(37 251) <sup>4</sup>	–
Amortisation of intangible assets	(40 098) <sup>1</sup>		(40 098) <sup>3</sup>		(40 098) <sup>4</sup>	–
<b>Profit before income tax</b>	<b>268 957</b> <sup>1</sup>		<b>268 957</b> <sup>3</sup>		<b>268 957</b> <sup>4</sup>	–
Income tax expense	(84 848) <sup>1</sup>		(84 848) <sup>3</sup>		(84 848) <sup>4</sup>	–
<b>Profit for the period</b>	<b>184 109</b> <sup>1</sup>		<b>184 109</b> <sup>3</sup>		<b>184 109</b> <sup>4</sup>	–
Movement in foreign currency translation reserve	1 900 <sup>1</sup>		1 900 <sup>3</sup>		1 900 <sup>4</sup>	–
Revaluation of investment in associate	-0 <sup>1</sup>		-0		-0 <sup>4</sup>	–
<b>Total comprehensive income for the period</b>	<b>186 009</b> <sup>1</sup>		<b>186 009</b> <sup>3</sup>		<b>186 009</b> <sup>4</sup>	–
<b>Attributable to:</b>						
Equity holders of the Parent	163 570 <sup>1</sup>		163 570 <sup>3</sup>		163 570 <sup>4</sup>	–
Non-controlling interest	22 439 <sup>1</sup>		22 439 <sup>3</sup>		22 439 <sup>4</sup>	–
	<b>186 009</b> <sup>1</sup>		<b>186 009</b> <sup>3</sup>		<b>186 009</b> <sup>4</sup>	–



## EARNINGS PER SHARE DISCLOSURE

	Audited 30 June 2013 Results	Subsequent Events <sup>2</sup>	Prior to the redemption <sup>3</sup>	Adjustments <sup>5</sup>	After the redemption <sup>4</sup>	Percentage change <sup>6</sup>
Number of ordinary shares in issue	270 010 639 <sup>1</sup>	127 805 395 <sup>2</sup>	397 816 034 <sup>3</sup>	70 202 829	468 018 863 <sup>4</sup>	18% <sup>6</sup>
Number of preference shares in issue	16 638 000 <sup>1</sup>	–	16 638 000 <sup>3</sup>	(16 638 000)	–	-100% <sup>6</sup>
Weighted average number of ordinary shares	269 256 170 <sup>1</sup>	113 494 163 <sup>2</sup>	382 750 333 <sup>3</sup>	70 202 829	452 953 162 <sup>4</sup>	18% <sup>6</sup>
Weighted average number of ordinary shares and potential shares	452 953 162 <sup>1</sup>	<sup>2</sup>	452 953 162 <sup>3</sup>	–	452 953 162 <sup>4</sup>	0% <sup>6</sup>
	<b>R'000</b>		<b>R'000</b>		<b>R'000</b>	<b>%</b>
<b>Basic earnings</b>	<b>163 570 <sup>1</sup></b>		<b>163 570<sup>3</sup></b>		<b>163 570<sup>4</sup></b>	–
Adjusted by:						–
– Impairment of PPA	–		–		–	–
– Impairment of intangible assets	–		–		–	–
– Reversal of Impairment provision	(4) <sup>1</sup>		(4) <sup>3</sup>		(4) <sup>4</sup>	–
– Fair value (gain) in subsidiaries	(5 252)		(5 252) <sup>3</sup>		(5 252) <sup>4</sup>	–
– Fair value adjustment of investment in associate	(7 253) <sup>1</sup>		(7 253) <sup>3</sup>		(7 253) <sup>4</sup>	–
– Adjustment of impairments recognised by associate	30 030 <sup>1</sup>		30 030 <sup>3</sup>		30 030 <sup>4</sup>	–
– Loss/(profit) on disposal of assets	(440) <sup>1</sup>		(440) <sup>3</sup>		(440) <sup>4</sup>	–
– Loss/(profit) on disposal of assets	(51 014) <sup>1</sup>		(51 014) <sup>3</sup>		(51 014) <sup>4</sup>	–
– Fair value adjustments (other)	–		–		–	–
<b>Headline earnings</b>	<b>129 637 <sup>1</sup></b>		<b>129 637<sup>3</sup></b>		<b>129 637<sup>4</sup></b>	–
<b>Earnings per share (cents) – Refer to paragraph 7</b>						
– Attributable to ordinary shares (cents)	<b>60.75 <sup>1</sup></b>	<b>(18.01) <sup>2</sup></b>	<b>42.74<sup>3</sup></b>	<b>(6.63)</b>	<b>36.11<sup>4</sup></b>	<b>-15%<sup>6</sup></b>
– Diluted earnings per share (cents)	<b>36.11 <sup>1</sup></b>	–	<b>36.11<sup>3</sup></b>	–	<b>36.11<sup>4</sup></b>	–
<b>Headline earnings per share (cents)</b>						
– Attributable to ordinary shares (cents)	<b>48.15 <sup>1</sup></b>	<b>(14.28) <sup>2</sup></b>	<b>33.87<sup>3</sup></b>	<b>(5.25)</b>	<b>28.62<sup>4</sup></b>	<b>-15%<sup>6</sup></b>
– Diluted earnings per share (cents)	<b>28.62 <sup>1</sup></b>		<b>28.62<sup>3</sup></b>	–	<b>28.62<sup>4</sup></b>	–

### Notes:

- The financial information in the “Prior to redemption” column has been prepared based on AfroCentric’s audited consolidated financial results for the 12 months ended 30 June 2013 in terms of which an unqualified audit opinion was issued.
- There is no impact on the Statement of Comprehensive Income and Earnings attributable to Equity holders other than those noted above. In terms of IAS 32, the Preference Shares are recognised as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Share dividends. The Preference Shares are already recognised as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Share dividends. The Preference Share dividends have been recognised in the statement of changes in equity as they are distributed out of contributed tax capital. The figures in the “Subsequent Events” column represent the effects of the 100 805 395 Contingent Ordinary Shares and 27 million Afrocentric ordinary shares to be issued in terms of the Executive Share Awards.
- The figures in the “Prior to the redemption” column assume that the issue of 27 million Ordinary Shares under the Executive Share Awards and 100 805 395 Contingent Ordinary Shares has taken place.
- The figures in the “After redemption” column assume the exercise of the Call Options in respect of 100% of the preference shares has occurred. All adjustments are expected to have a continuing effect.
- The figures in the “Adjustment” column assume that the Preference Shares have been redeemed through the exercise of 70 202 829 New Ordinary Shares. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Shares dividends.
- “Percentage change” column is the percentage difference between the “Prior to redemption” column and the “After Redemption column”.

## OPTION 2

### THE *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME IS BASED ON THE ASSUMPTION THAT 100% OF THE PREFERENCE SHARES ARE REDEEMED FOR CASH

	Audited 30 June 2013 Results <sup>1</sup>	Subsequent Events <sup>2</sup>	Prior to redemption <sup>3</sup>	Adjustments <sup>4</sup>	After the redemption <sup>5</sup>	Percentage change <sup>6</sup>
	R'000				R'000	%
<b>Revenue</b>	1 770 330 <sup>1</sup>		1 770 330 <sup>3</sup>		1 770 330 <sup>5</sup>	–
Operating costs	(1 436 673) <sup>1</sup>		(1 436 673) <sup>3</sup>		(1 436 673) <sup>5</sup>	–
<b>Operating profit</b>	333 657 <sup>1</sup>		333 657 <sup>3</sup>		333 657 <sup>5</sup>	–
Other income	2 307 <sup>1</sup>		2 307 <sup>3</sup>		2 307 <sup>5</sup>	–
Net finance cost	8 168 <sup>1</sup>		8 168 <sup>3</sup>	(568) <sup>4</sup>	7 600 <sup>5</sup>	–
Share of profit/(losses) from Jasco	(30 030) <sup>1</sup>		(30 030) <sup>3</sup>		(30 030) <sup>5</sup>	–
Share of profit/(losses) from Healthcare Associates	8 553 <sup>1</sup>		8 553 <sup>3</sup>		8 553	–
<b>Profit before impairment and amortisation</b>	322 655 <sup>1</sup>		322 655 <sup>3</sup>	(568) <sup>4</sup>	322 087	–
Reversal of impairment of investments	–		–		–	–
Fair value adjustment on associates	7 253 <sup>1</sup>		7 253 <sup>3</sup>		7 253 <sup>5</sup>	–
Fair value adjustment on investments in subs	5 252 <sup>1</sup>		5 252 <sup>3</sup>		5 252 <sup>5</sup>	–
Impairment of intangible asset	–		–		–	–
Impairment of investment	(0) <sup>1</sup>		(0) <sup>3</sup>		(0) <sup>5</sup>	–
IFRS 2 compliance adjustment	(39 868) <sup>1</sup>		(39 868) <sup>3</sup>		(39 868) <sup>5</sup>	–
Profit on sale of investment	51 014 <sup>1</sup>		51 014 <sup>3</sup>		51 014 <sup>5</sup>	–
Depreciation	(37 251) <sup>1</sup>		(37 251) <sup>3</sup>		(37 251) <sup>5</sup>	–
Amortisation of intangible assets	(40 098) <sup>1</sup>		(40 098) <sup>3</sup>		(40 098) <sup>5</sup>	–
<b>Profit before income tax</b>	268 957 <sup>1</sup>		268 957 <sup>3</sup>	(568) <sup>4</sup>	268 389 <sup>5</sup>	–
Income tax expense	(84 848) <sup>1</sup>		(84 848) <sup>3</sup>		(84 848) <sup>5</sup>	–
<b>Profit for the period</b>	184 109 <sup>1</sup>		184 109 <sup>3</sup>	(568) <sup>4</sup>	183 451 <sup>5</sup>	–
Movement in foreign currency translation reserve	1 900 <sup>1</sup>		1 900 <sup>3</sup>		1 900 <sup>5</sup>	–
Revaluation of investment in associate	-0 <sup>1</sup>		-0		-0	–
<b>Total comprehensive income for the period</b>	186 009 <sup>1</sup>		186 009 <sup>3</sup>	(568) <sup>4</sup>	185 441 <sup>5</sup>	–
<b>Attributable to:</b>						
Equity holders of the Parent	163 570 <sup>1</sup>		163 570 <sup>3</sup>	(568) <sup>4</sup>	163 002 <sup>5</sup>	–
Non-controlling interest	22 439 <sup>1</sup>		22 439 <sup>3</sup>		22 439 <sup>5</sup>	–
	186 009 <sup>1</sup>		186 009 <sup>3</sup>	(568) <sup>4</sup>	185 441 <sup>5</sup>	–

## EARNINGS PER SHARE DISCLOSURE

	Audited 30 June 2013 <sup>1</sup>	Subsequent Events <sup>2</sup>	Prior to the redemption <sup>3</sup>	Adjustments <sup>4</sup>	After the redemption <sup>5</sup>	Percentage change <sup>6</sup>
	R'000				R'000	%
Number of ordinary shares in issue	270 010 639 <sup>1</sup>	127 805 395 <sup>2</sup>	397 816 034 <sup>3</sup>	–	397 816 034 <sup>5</sup>	–
Number of preference shares in issue	16 638 000 <sup>1</sup>	–	16 638 000 <sup>3</sup>	(16 638 000) <sup>4</sup>	–	-100% <sup>6</sup>
Weighted average number of ordinary shares	269 265 170 <sup>1</sup>	113 494 163 <sup>2</sup>	382 750 333 <sup>3</sup>	–	382 750 333 <sup>5</sup>	–
Weighted average number of ordinary shares and potential shares	269 265 170 <sup>1</sup>	113 494 163 <sup>2</sup>	382 750 333 <sup>3</sup>	–	382 750 333 <sup>5</sup>	–
	<b>R'000</b>		<b>R'000</b>		<b>R'000</b>	
<b>Basic earnings</b>	<b>163 570<sup>1</sup></b>		<b>163 570<sup>3</sup></b>	<b>(568)<sup>4</sup></b>	<b>163 002<sup>5</sup></b>	–
Adjusted by:						–
– Impairment of PPA	–		–		–	–
– Impairment of intangible assets	–		–		–	–
– Reversal of Impairment provision	(4) <sup>1</sup>		(4) <sup>3</sup>		(4) <sup>5</sup>	–
– Fair value (gain) in subsidiaries	(5 252) <sup>1</sup>		(5 252) <sup>3</sup>		(5 252) <sup>5</sup>	–
– Fair value adjustment of investment in associate	(7 253) <sup>1</sup>		(7 253) <sup>3</sup>		(7 253) <sup>5</sup>	–
– Adjustment of impairments recognised by associate	30 030 <sup>1</sup>		30 030 <sup>3</sup>		30 030 <sup>5</sup>	–
– Loss/(profit) on disposal of assets	(440) <sup>1</sup>		(440) <sup>3</sup>		(440) <sup>5</sup>	–
– Loss/(profit) on disposal of assets	(51 014) <sup>1</sup>		(51 014) <sup>3</sup>		(51 014) <sup>5</sup>	–
– Fair value adjustments (other)	–		–		–	–
<b>Headline earnings</b>	<b>129 637<sup>1</sup></b>		<b>129 637<sup>3</sup></b>	<b>(568)<sup>4</sup></b>	<b>129 069<sup>5</sup></b>	–
<b>Earnings per share (cents)</b>						
– Attributable to ordinary shares (cents)	<b>60.75<sup>1</sup></b>	<b>(18.01)<sup>2</sup></b>	<b>42.74<sup>3</sup></b>	<b>–0.15<sup>4</sup></b>	<b>42.59<sup>5</sup></b>	–
– Diluted earnings per share (cents)	<b>36.11<sup>1</sup></b>	–	<b>36.11<sup>3</sup></b>	<b>6.48<sup>4</sup></b>	<b>42.59<sup>5</sup></b>	<b>18%<sup>6</sup></b>
<b>Headline earnings per share (cents)</b>						
– Attributable to ordinary shares (cents)	<b>48.15<sup>1</sup></b>	<b>(14.28)<sup>2</sup></b>	<b>33.87<sup>3</sup></b>	<b>–0.15<sup>4</sup></b>	<b>33.72<sup>5</sup></b>	–
– Diluted earnings per share (cents)	<b>28.62<sup>1</sup></b>	–	<b>28.62<sup>3</sup></b>	<b>5.10<sup>4</sup></b>	<b>33.72<sup>5</sup></b>	<b>18%<sup>6</sup></b>

### Notes:

- The financial information in the “Prior to redemption” column has been prepared based on AfroCentric’s audited consolidated financial results for the 12 months ended 30 June 2013 in terms of which an unqualified audit opinion was issued.
- There is no impact on the Statement of Comprehensive Income and Earnings attributable to Equity holders other than those noted above. In terms of IAS 32, the Preference Shares are accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Share dividends. The Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Shares dividends. The figures in the “Subsequent Events” column represent the effects of the 100 805 395 Contingent Ordinary Shares and 27 million Afrocentric ordinary shares to be issued in terms of the Executive Share Awards.
- The figures in the “Prior to the redemption” column assumes the issue of 27 million Ordinary Shares under the Executive Share Awards and 100 805 395 Contingent Ordinary Shares has taken place. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Shares dividends.
- The figures in the “Adjustment” column assume that the preference shares are redeemed for cash. R568 000 represents reduction in interest income as a result of the cash redemption of the preference shares.
- The figures in the “after redemption” column assume the redemption of the preference shares for cash. In terms of IAS 32, the Preference Shares are already accounted for as equity and therefore there is no effect in AfroCentric’s statement of comprehensive income as there was no expense recognised for the Preference Shares dividends.
- “Percentage change” column is the percentage difference between the “Prior to redemption” column and the “After Redemption column”.

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## ANNEXURE 3 – TABLE OF ENTITLEMENTS TO NEW ORDINARY SHARES AT THE LAST PRACTICABLE

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The following table sets out the number of New Ordinary Shares to which a member is entitled at the Last Practicable Date in respect of such member's holding which is not 100 or a multiple of 100 Preference Shares:

Number of Preference Shares held	Entitlement to New Ordinary Shares	Number of Preference Shares held	Entitlement to New Ordinary Shares	Number of Preference Shares held	Entitlement to New Ordinary Shares
1	4	35	148	69	291
1	4	36	152	70	295
1	4	37	156	71	300
1	4	38	160	72	304
1	4	39	165	73	308
1	4	40	169	74	312
1	4	41	173	75	316
1	4	42	177	76	321
1	4	43	181	77	325
1	4	44	186	78	329
1	4	45	190	79	333
1	4	46	194	80	338
1	4	47	198	81	342
1	4	48	203	82	346
1	4	49	207	83	350
1	4	50	211	84	354
1	4	51	215	85	359
1	4	52	219	86	363
1	4	53	224	87	367
1	4	54	228	88	371
1	4	55	232	89	376
1	4	56	236	90	380
23	97	57	241	91	384
24	101	58	245	92	388
25	105	59	249	93	392
26	110	60	253	94	397
27	114	61	257	95	401
28	118	62	262	96	405
29	122	63	266	97	409
30	127	64	270	98	414
31	131	65	274	99	418
32	135	66	278	100	422
33	139	67	283		
34	143	68	287		

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## ANNEXURE 4 – COPY OF THE RIGHTS, PRIVILEGES AND OBLIGATIONS OF THE REDEEMABLE PREFERENCE SHARES

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- 1 For the purposes of this Appendix:
  - 1.1 “business day” means any day other than a Saturday, Sunday or public holiday in the RSA;
  - 1.2 “preference dividend” means a preferential cash dividend per preference share determined pursuant to the formula contained in 2 below;
  - 1.3 “the redeemable preference shares” means 16 638 000 (sixteen million six hundred and thirty eight thousand) redeemable participating preference shares in the issued share capital of the company of a nominal value of 1 (one) cent each which have the rights set out in this Appendix;
  - 1.4 “RSA” means the Republic of South Africa;
  - 1.5 “the rights offer” means the rights offer to be implemented by the company commencing on or about 16 May 2006.

2. If the company declares dividends or makes any payment to the holders of the ordinary shares in respect of any financial year, then the holders of the redeemable preference shares shall be entitled to a preferential dividend or payment calculated in accordance with the following formula:

$$\text{Pref Div / Payment} = P \times 0.15 \times R / S$$

Where

Pref Div / Payment = the total dividend or payment to be declared by board in respect of the redeemable preference shares as a class.

P = the total dividend or payment to be declared by board in respect of ordinary shares and redeemable preference shares.

R = the redeemable preference shares in issue at record date of the relevant dividend or payment.

S = the total number of redeemable preference shares issued in terms of the rights offer.

To calculate the preference dividend payable per redeemable preference share, the Rand value derived from applying the above formula is divided by “R”.

3. The redeemable preference shares will rank as regards arrear dividends and return of capital on a winding up in priority to the ordinary shares and in priority to the holders of any other shares in the capital of the company to repayment of an amount equal to the greater of: (a) the sum of the subscription price of the redeemable preference shares and any arrears in the preference dividends or (b) the amount the holders of the redeemable preference shares would otherwise be entitled to receive had the holders thereof elected to exercise their options to purchase ordinary shares immediately prior to the date it is determined to wind up the affairs of the company (whether or not such date is an option exercise date detailed in 8.1 below).
4. The company in general meeting or the directors of the company shall be entitled to declare dividends in respect of the redeemable preference shares on the basis that the preference dividend payable in respect of any financial year shall be payable at the same time as the payment of the dividend in respect of ordinary shares to the holders of the redeemable preference shares registered as such at a reasonable date chosen by the company in general meeting or by the directors, as the case may be, which date shall be subsequent to the date of the declaration of such dividends or the date of the confirmation of such dividends, whichever is the later. Any arrear preference dividends shall rank for payment in priority to the declaration or payment of any dividends in respect of the ordinary shares.
5. With respect to voting rights in the company, the holders of the redeemable preference shares shall not be entitled to receive notice of and to attend and vote at any general meeting of the company unless any one or more of the following circumstances prevail at the date of the meeting –
  - 5.1 the preference dividend or any part thereof whether declared or not remains unpaid after 60 days from the due date thereof;

- 5.2 a resolution of the company is proposed which directly affects the rights attached to the redeemable preference shares or the interests of the holders thereof, including a resolution for the winding up of the company or for the reduction of its share capital or share premium account or a resolution pursuant to section 228 of the Act (except for any reduction which does not involve any distribution to members and except for the redemption of any preference shares originally issued as redeemable by the company), or for the repayment or distribution of the share premium or non distributable reserves of the company or the issue of capitalisation shares (except in such manner as is permitted by any statutes and the company's articles of association provided that such repayment or distribution does not have the effect of reducing the share premium account to below the amount of 1 cent per issued redeemable preference share plus any amount required to be retained in the share premium account in respect of any other shares). The rights and privileges attaching to the redeemable preference shares shall not be regarded as being directly or adversely affected by the creation and issue by the company of any further shares of any class, unless those new shares rank as regards participation in assets or profits of the company in all or some respects in priority to or *pari passu* with the redeemable preference shares;
- 5.3 a resolution of the company is proposed for the disposal of the whole or substantially the whole of the undertaking of the company, or the whole or the greater part of the assets of the company which shall include a resolution of the company for the disposal of the undertaking or assets of a subsidiary of the company, if such undertaking or assets constitute the whole or substantially the whole of the undertaking or assets of the company and all its subsidiaries considered as one entity for this purpose.
6. Payment in respect of preference dividends and any other payments shall be made in the currency of South African Rand at the risk of the relevant holder of redeemable preference shares either by cheque sent by ordinary post to the address of each holder of redeemable preference shares as recorded in the register of the company's shareholders or by electronic transfer to such bank account nominated in writing by any holder of redeemable preference shares for such purpose. Payment in respect of shareholders whose redeemable preference shares have been dematerialised will be made to the relevant CSDP or broker.
7. All or any of the rights attaching to the issued redeemable preference shares may not be modified, altered, varied, added to or abrogated, without the prior written consent of the holders of at least three-quarters of the issued redeemable preference shares or the sanction of a resolution of the holders of the issued redeemable preference shares passed at a separate general meeting of such holders and at which redeemable preference shareholders holding in the aggregate not less than one quarter of the total votes of all the redeemable preference shareholders holding securities entitled to vote at that meeting are present in person or by proxy and the resolution has been passed by not less than three quarters of the total votes to which the redeemable preference shareholders are present in person or by proxy are entitled.
8. The holder of each redeemable preference share is granted the right and option ("the call option") to subscribe for such number of ordinary shares at the prices set out below. The call option may be exercised by the holder of each redeemable preference share upon the following terms and conditions:
- 8.1 the call option may be exercised by the relevant shareholder giving written notice to that effect to the company in accordance with the procedure set out in paragraph 11 below, in respect of each of the periods ending on 30 November 2010, 2011, 2012 and 2013 ("the option exercise dates");
- 8.2 the number of Ordinary Shares that will be issued to the holder of each redeemable preference share if the call option is exercised in respect of that redeemable preference share at the relevant time shall be calculated in accordance with the following formula:
- $$\{(A - B)/0.85 - (A - B)\} \times C/D$$
- Where:
- A = Total ordinary shares in issue at time of exercise of the call option.
- B = Total ordinary shares issued in terms of previously exercised call options.
- C = Number of redeemable preference shares in respect of which the call option is exercised.
- D = Total number of redeemable Preference Shares originally issued in terms of the rights offer.
- 8.3 the subscription price per ordinary share payable by the shareholder to the company shall be calculated in accordance with the following formula:
- $$A = B \div C$$
- Where
- A = the subscription price per ordinary share at which the call option may be exercised;
- B = the aggregate subscription price at which the preference shares associated with the options that were exercised were subscribed for by the relevant shareholder;
- C = the number of ordinary shares that will be issued by the company upon the exercise of the call option;
- 8.4 the call option may be exercised in whole or in part;
- 8.5 any call option that is not exercised by 31 December 2013 shall lapse.

9. From the date upon which ordinary shares are issued pursuant to the exercise of the relevant call options, the preference shares to which the exercised call options relate shall cease to be entitled to any dividend or other distribution. The only monies to which holders of those redeemable preference shares shall be entitled are the redemption monies provided for in 10 below.
10. The redeemable preference shares to which that call option relate shall be redeemed out of the proceeds of the issue of the ordinary shares that will be subscribed for by the holders of the redeemable preference shares on the exercise of the option on the following basis –
  - 10.1 the price payable for each redeemable preference share on redemption of same will be at a redemption price equal to the subscription price paid per redeemable preference share;
  - 10.2 the company shall be deemed to have given notice of such redemption simultaneously with the exercise of the call option;
  - 10.3 the redemption shall take place in accordance with the procedures set out in paragraph 11 below.
11. The procedures for enabling redeemable preference shareholders to exercise their options and enable the company to redeem the redeemable preference shares are as follows –
  - 11.1 Not less than 30 (thirty) days before the occurrence of any option exercise date, the company shall post a notice to redeemable preference shareholders;
  - 11.2 The notice shall advise redeemable preference shareholders of the salient features of the call option attaching to the redeemable preference shares, shall set out a timetable and the specific procedures approved by the JSE for the exercise of the call option, for the issue and allotment of the ordinary shares that will result should a call option be exercised and the redemption of the preference shares;
  - 11.3 The call option may be exercised on behalf of a redeemable preference shareholder whose redeemable preference shares have been dematerialised by the CSDP of such redeemable preference shareholder;
  - 11.4 The notice shall contain a form for completion by any certificated redeemable preference shareholder wishing to exercise the call option in respect of the relevant option exercise date and for return to the company or its authorised representative by a time and date which shall be not later than 14 (fourteen) days prior to the close of business on the relevant option exercise date
  - 11.5 Certificated redeemable preference shareholders shall be required to deliver their share certificates together with the completed form referred to above.
12. On the lapsing of the call option the company shall redeem the redeemable preference shares out of monies which may be lawfully applied for that purpose on the basis that the price payable for each redeemable preference share on redemption of same will be at a redemption price equal to the subscription price paid per redeemable preference share, provided that should the company not have sufficient reserves to redeem the redeemable preference share at a redemption price equal to the subscription price of the redeemable preference share then the price at which each redeemable preference share shall be redeemed shall be calculated by taking the reserves available for the redemption of the redeemable preference shares and dividing that amount by the number of redeemable preference shares to be redeemed.
13. Upon the date of redemption of any redeemable preference shares there shall be paid all preference dividends (including any which are in arrear) outstanding in respect of the same, up to the date fixed for redemption thereof.
14. In respect of redeemable preference shares where the call option has lapsed, the preference dividends thereon shall cease to accrue from that date unless, upon surrender of the share certificate in respect of the preference shares, payment of the redemption monies is not effected by the company.
15. The company shall not be liable to a redeemable preference shareholder for interest on any unclaimed redemption monies and arrear dividends.
16. Any preference dividends (including any which are in arrear) that remain unclaimed for 3 (three) years may become the property of the company.
17. The redeemable preference shares will, subject to the approval of the JSE, be listed on the JSE.
18. Any redeemable preference shares in the authorised capital of the company that are not issued in the rights offer will be automatically cancelled on completion of the rights offer.

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## ANNEXURE 5 – TRADING HISTORY ON THE JSE

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### REDEEMABLE PREFERENCE SHARES

#### QUARTERLY

The high, low and closing prices of AfroCentric Preference Shares listed on the JSE and the aggregate quarterly volumes traded from the quarter ended 31 March 2011 until the quarter ended 31 December 2012 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2011/03/31	375.99	284.58	343.95	10 356
2011/06/30	385.41	343.95	381.64	8 332
2011/09/30	382.59	381.64	381.64	5 070
2011/12/30	684.55	381.64	683.57	96 129
2012/03/30	977.93	689.44	977.93	25 621
2012/06/29	977.93	684.55	831.24	518 531
2012/09/28	977.93	736.38	977.93	223 996
2012/12/31	1500	977.93	1430	1 014 789

#### MONTHLY

The high, low and closing prices of AfroCentric Preference Shares listed on the JSE and the aggregate monthly volumes traded between 1 September 2012 and 30 September 2013 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2012/08/31	929.03	736.38	736.38	189 896
2012/09/28	977.93	880.13	977.93	22 100
2012/10/31	977.93	977.93	977.93	200
2012/11/30	1320.2	977.93	1320.2	9 934
2012/12/31	1500	1320.2	1430	1 004 655
2013/01/31	1440	1360	1415	41 100
2013/02/28	1415	1405	1407	8 200
2013/03/29	1510	1407	1480	55 200
2013/04/30	1550	1479	1550	70 141
2013/05/31	1600	1550	1600	3 362
2013/06/28	1650	1600	1650	5 638
2013/07/31	1700	1601	1700	5 852
2013/08/30	1700	1700	1700	0
2013/09/30	1700	1700	1700	5 310



## DAILY

The daily high, low and closing prices of AfroCentric Preference Shares listed on the JSE and the aggregate daily volumes traded for the 30 days ended 18 October 2013 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2013/08/28	1700	1700	1700	0
2013/08/29	1700	1700	1700	0
2013/08/30	1700	1700	1700	0
2013/09/02	1700	1700	1700	5 310
2013/09/03	1700	1700	1700	0
2013/09/04	1700	1700	1700	0
2013/09/05	1700	1700	1700	0
2013/09/06	1700	1700	1700	0
2013/09/09	1700	1700	1700	0
2013/09/10	1700	1700	1700	0
2013/09/11	1700	1700	1700	0
2013/09/12	1700	1700	1700	0
2013/09/13	1700	1700	1700	0
2013/09/16	1700	1700	1700	0
2013/09/17	1700	1700	1700	0
2013/09/18	1700	1700	1700	0
2013/09/19	1700	1700	1700	0
2013/09/20	1700	1700	1700	0
2013/09/23	1700	1700	1700	0
2013/09/25	1700	1700	1700	0
2013/09/26	1700	1700	1700	0
2013/09/27	1700	1700	1700	0
2013/09/30	1700	1700	1700	0
2013/10/01	1700	1700	1700	0
2013/10/02	1700	1700	1700	0
2013/10/03	1700	1700	1700	0
2013/10/04	1700	1700	1700	0
2013/10/07	1700	1700	1700	0
2013/10/08	1700	1700	1700	0
2013/10/09	1700	1700	1700	0
2013/10/10	1700	1700	1700	0
2013/10/11	1700	1700	1700	0
2013/10/14	1700	1700	1700	0
2013/10/15	1700	1700	1700	0
2013/10/16	1700	1700	1700	0
2013/10/17	1700	1700	1700	0
2013/10/18	1700	1700	1700	0

## AFROCENTRIC ORDINARY SHARES

### QUARTERLY:

The high, low and closing prices of AfroCentric Ordinary Shares listed on the JSE and the aggregate quarterly volumes traded from the quarter ended 31 March 2011 until the quarter ended 31 December 2012 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2011/03/31	210.7	143.72	186.35	5 924 088
2011/06/30	196.65	162.01	187.29	3 272 839
2011/09/30	215.38	159.2	210.7	2 177 633
2011/12/30	252.84	182.61	202.9	790 7673
2012/03/30	282.89	206.8	268.25	11 814 141
2012/06/29	486.76	258.5	297.52	4 743 151
2012/09/28	365.8	282.89	356.05	5 069 302
2012/12/31	465	342.39	465	8 682 728

### MONTHLY

The high, low and closing prices of AfroCentric Ordinary Shares listed on the JSE and the aggregate monthly volumes traded between 1 September 2012 and 30 September 2013 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2012/08/31	365.8	312.15	331.66	1 792 676
2012/09/28	365.8	316.05	356.05	1 836 700
2012/10/31	404.82	342.39	395.06	3 159 022
2012/11/30	448.71	390.19	419.45	1 547 484
2012/12/31	465	409.7	465	3 976 222
2013/01/31	525	463	500	3 512 758
2013/02/28	500	472	480	2 908 161
2013/03/29	503	458	480	2 317 998
2013/04/30	487	400	460	1 733 300
2013/05/31	473	422	450	1 406 149
2013/06/28	450	380	410	1 7667 67
2013/07/31	450	370	449	1 651 806
2013/08/30	449	380	415	3 062 591
2013/09/30	425	360	420	1 428 174

## DAILY

The daily high, low and closing prices of AfroCentric Ordinary Shares listed on the JSE and the aggregate daily volumes traded for the 30 days ended 18 October 2013 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2013/08/28	429	415	415	24 163
2013/08/29	430	410	415	153 151
2013/08/30	420	415	415	16 424
2013/09/02	420	415	415	18 674
2013/09/03	420	410	420	69 175
2013/09/04	425	408	412	158 645
2013/09/05	410	400	401	34 620
2013/09/06	415	401	405	37 885
2013/09/09	410	400	410	49 114
2013/09/10	410	400	410	20 818
2013/09/11	410	410	410	2 717
2013/09/12	411	400	411	48 243
2013/09/13	410	395	410	33 192
2013/09/16	415	395	415	22 907
2013/09/17	413	410	413	7 035
2013/09/18	407	390	390	103 721
2013/09/19	407	395	407	46 203
2013/09/20	407	404	404	11 140
2013/09/23	403	385	385	44 997
2013/09/25	395	385	395	95 586
2013/09/26	398	383	383	105 422
2013/09/27	400	360	395	346 744
2013/09/30	420	390	420	171 336
2013/10/01	420	410	410	110 371
2013/10/02	415	406	410	112 526
2013/10/03	409	396	400	295 727
2013/10/04	402	396	400	29 144
2013/10/07	405	400	400	52 483
2013/10/08	403	396	400	1 022 187
2013/10/09	400	396	399	77 025
2013/10/10	400	396	399	95 098
2013/10/11	399	395	395	197 300
2013/10/14	387	380	380	48 020
2013/10/15	390	380	385	297 766
2013/10/16	399	383	392	3 263 162
2013/10/17	392	385	387	98 194
2013/10/18	402	387	391	73 591

Date	HIGH	LOW	CLOSE	VOLUME
2011/03/31	375.99	284.58	343.95	10 356
2011/06/30	385.41	343.95	381.64	8 332
2011/09/30	382.59	381.64	381.64	5 070
2011/12/30	684.55	381.64	683.57	96 129
2012/03/30	977.93	689.44	977.93	25 621
2012/06/29	977.93	684.55	831.24	518 531
2012/09/28	977.93	736.38	977.93	223 996
2012/12/31	1500	977.93	1430	1 014 789

## MONTHLY

The high, low and closing prices of AfroCentric Preference Shares listed on the JSE and the aggregate monthly volumes traded between 1 September 2012 and 30 September 2013 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2012/08/31	929.03	736.38	736.38	189 896
2012/09/28	977.93	880.13	977.93	22 100
2012/10/31	977.93	977.93	977.93	200
2012/11/30	1320.2	977.93	1320.2	9 934
2012/12/31	1500	1320.2	1430	1 004 655
2013/01/31	1440	1360	1415	41 100
2013/02/28	1415	1405	1407	8 200
2013/03/29	1510	1407	1480	55 200
2013/04/30	1550	1479	1550	70 141
2013/05/31	1600	1550	1600	3 362
2013/06/28	1650	1600	1650	5 638
2013/07/31	1700	1601	1700	5 852
2013/08/30	1700	1700	1700	0
2013/09/30	1700	1700	1700	5 310

## DAILY

The daily high, low and closing prices of AfroCentric Preference Shares listed on the JSE and the aggregate daily volumes traded for the 30 days ended 18 October 2013 were as follows:

Date	HIGH	LOW	CLOSE	VOLUME
2013/08/28	1700	1700	1700	0
2013/08/29	1700	1700	1700	0
2013/08/30	1700	1700	1700	0
2013/09/02	1700	1700	1700	5 310
2013/09/03	1700	1700	1700	0
2013/09/04	1700	1700	1700	0
2013/09/05	1700	1700	1700	0
2013/09/06	1700	1700	1700	0
2013/09/09	1700	1700	1700	0





# AFROCENTRIC GROUP

Incorporated in the Republic of South Africa  
Registration number 1988/000570/06  
JSE codes: ACT, ACTP  
ISIN: ZAE000078416 / ZAE000082269  
"AfroCentric" or "the Company"

## FORM OF EXERCISE AND SURRENDER IN RESPECT OF THE CALL OPTION AND THE AUTOMATIC REDEMPTION OF PREFERENCE SHARES ("FORM")

### Important notes concerning this Form:

This Form is for use in respect of Certificated Preference Shareholders wishing to exercise the Call Option and Certificated Preference Shareholders wishing to receive payment of the Redemption Price.

**Certificated Preference Shareholders who do not exercise the Call Option should note that they will be required to surrender their Preference Share Certificates and/or Documents of Title in order to receive the Redemption Price.**

Full details of the Call Option and the automatic Redemption of Preference Shares are contained in the circular to AfroCentric Preference Shareholders, dated 28 October 2013 ("Circular"), to which this Form is attached. Accordingly, all terms used in this Form shall, unless the context otherwise requires or they are otherwise defined herein, have the meaning attributed to them in the Circular.

### INSTRUCTIONS:

1. The exercise of the Call Option and surrender of Documents of Title is for use only by Certificated Preference Shareholders.
2. A separate Form is required for each Certificated Preference Shareholder.
3. Part A must be completed by all Certificated Preference Shareholders who return this Form.
4. Part B must be completed by Certificated Preference Shareholders who elect to exercise the Call Option either in whole or in part.
5. Part C must be completed by Certificated Preference Shareholders who are returning their Preference Share Certificates and/or Documents of title and who wish to receive the Redemption Payment of R0,91 per Preference Share in whole or in part.
6. Part D must be completed by all Certificated Preference Shareholders who are emigrants from the Common Monetary Area.
7. This Form must be returned with the relevant AfroCentric Preference Share Certificates and / or other Documents of Title to AfroCentric Preference Shares, to Computershare, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).
8. Certificated Preference Shareholders who elect to exercise the Call Option must complete and return this Form and together with their Preference Share Certificates and/or other Documents of title by not later than 12h00 on 15 November 2013.
9. The Redemption Price will not be sent to Certificated Preference Shareholders unless and until Documents of Title in respect of the relevant Preference Shares have been surrendered to Computershare. In the case of Certificated Preference Shareholders who have exercised the Call Option in part, such documents must be received by not later than 12h00 on 15 November 2013.
10. If a Preference Shareholder fails to complete the Form in respect of all of the AfroCentric Preference Shares held by such Preference Shareholder or if the election by the Preference Shareholder in respect of any AfroCentric Preference Shares held by such Preference Shareholder is unclear, that Preference Shareholder will be deemed to have elected to not exercise the Call Option.

**Preference Shareholders are advised that any Preference Share Certificates and / or other Documents of Title received after 12h00 on 15 November 2013 will be held over by Computershare for immediate automatic redemption on Monday, 6 January 2014 and payment of R0,91 Redemption Price per Preference Share will be made without interest upon the later of Monday, 6 January 2014 and receipt of such Preference Shareholders' Preference Share Certificates and/or other Documents of Title.**

To: **Computershare Investor Services Proprietary Limited**  
Ground Floor, 70 Marshall Street, Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

Dear Sirs

### PART A: To be completed by ALL Certificated Preference Shareholders who return this Form.

I / We hereby surrender the AfroCentric Preference Share Certificate/s and/or other Documents of Title attached hereto, representing AfroCentric Preference Shares registered in the name of the person mentioned below and authorise the Transfer Secretaries to register the redemption and transfer of these AfroCentric Preference Shares into the name of the Company:

Name of AfroCentric Preference Shareholder	Preference Share Certificate number(s)	Number of AfroCentric Preference Shares covered by each certificate(s) enclosed
<b>Total</b>		

### PART B: To be completed by those Certificated Preference Shareholders electing to exercise the Call Option either in whole or in part.

I/We hereby exercise the Call Option in respect of the number of AfroCentric Preference Shares set out below:

	Number of AfroCentric Preference Shares:
Call Option exercised in respect of:	

**Surname or Name of corporate body:**

First name(s) in full

Title (Mr, Mrs, Miss, Ms, etc)

Address to which share certificates in respect of the New Ordinary Shares should be sent (if different from registered address)

Postal code

**Note:**

Signature of AfroCentric Preference Shareholder	Name and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	2013
Telephone number (Home) ( )	
Telephone number (Work) ( )	
Cellphone number	

**PART C: To be completed in BLOCK CAPITALS by AfroCentric Preference Shareholders wishing to receive payment of the Redemption Price of R0,91 per Preference Share by means of EFT. Payment of the Redemption Price shall be made on the later of Monday, 6 January 2014 and 5 Business Days after receipt of such Preference Shareholders' Preference Share Certificates and/or other Documents of Title.**

I/We, being a holder/s of AfroCentric Preference Shares hereby request that the Redemption Price, be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):		
Bank name:		
Branch name:		
Branch code:		
Account number:		
Signature of Shareholder:		
Assisted by me (if applicable):		
(State full name and capacity):		
Date:		
Tel (Home) ( )	Tel (Work) ( )	Cell phone

In terms of FICA, Computershare will only be able to record the bank details if certified true copies of the Preference Shareholder's ID Document and Bank Statement are submitted together with this Form.

**PART D: To be completed in BLOCK CAPITALS by AfroCentric Preference Shareholders who are emigrants from the Common Monetary Area ("emigrants") and non-residents of the Common Monetary Area (see note 1).**

Accordingly, AfroCentric Preference Shareholder emigrants must provide the following information:

Name of authorised dealer:
Account number:
Address:
Account number:

**Notes and instructions:**

1. Emigrants from and all other non-residents of the Common Monetary Area must complete Part D.
2. If Part D is not properly completed by emigrants and non-residents, the Redemption Price will be held in trust by the Company Secretary pending receipt of the necessary nomination or instruction. No interest will be paid on the amount so held in trust.
3. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
4. Any alteration to this Form must be signed in full and not initialled.
5. If this Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Form for noting (unless it has already been noted by AfroCentric or the Transfer Secretaries). This does not apply in the event of this Form bearing a JSE Broker's stamp.
6. Where the Preference Shareholder is a company or a close corporation, unless it has already been registered with AfroCentric or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by AfroCentric.
7. If this Form is not signed by the Preference Shareholder, the Preference Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries to implement the Preference Shareholder's obligations in respect of the Call Option on his or her behalf.
8. Where there are any joint holders of any Preference Shares, only that holder whose name stands first in the Register in respect of such Preference Shares need sign this Form.
9. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the Transfer Secretaries.

