



2021

SECHABA BREWERY HOLDINGS
LIMITED

A N N U A L R E P O R T

Table of Contents

Company Profile	4
Chairman's Statement	7
Finance and Audit Committee Chairman's Report	11
Managing Director's Statement	13
Board of Directors	15
Governance Report	19
CCBB Operations and Sustainability Report	32
KBL Operations and Sustainability Report	37
Financial Statements	42
Shareholder Information	80
Notice of AGM	82
Proxy Form	83



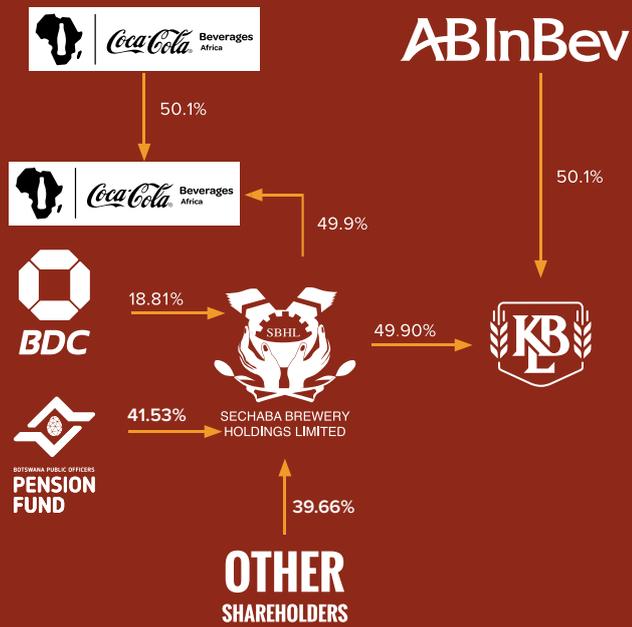
COMPANY PROFILE

A LASTING LEGACY

About Sechaba Brewery Holdings Ltd

Sechaba Brewery Holdings Ltd (SBHL) boasts of a long-lasting legacy and success. The company listed on the Botswana Stock Exchange in 1989 and has continued to prosper and uphold the tradition of financial capitalism and wealth creation. Sechaba Brewery Holdings Limited (SBHL) is an investment company listed on the Botswana Stock Exchange. Prior to 2018, SBHL's sole investment was in Kgalagadi Breweries Proprietary Limited (KBL). In that year a decision was made to restructure Kgalagadi Breweries Proprietary Limited (KBL) by separating the net assets of its Non-Alcoholic-Ready-To Drink (NARTD) business which eventually formed the Coca-Cola Beverages (Botswana) (Proprietary) Limited (CCBB). SBHL now holds 49.90% shareholding in KBL, with Anheuser Busch InBev (AB InBev) holding the remaining shares. SBHL also holds 49.90% in CCBB with Coca-Cola Beverages Africa holding the balance.

Ownership Structure







CHAIRMAN'S STATEMENT



Ms Tabuya Tau
CHAIRMAN OF THE BOARD

SBHL FINISHES STRONG

Dear esteemed shareholders, 2021 marked the Sechaba Brewery Holdings Ltd's (SBHL) 51st anniversary. Founded in 1970, SBHL is four years younger than Botswana as a country, something we take great pride in because we believe that great organizations are those that are sustainable for the long haul. SBHL however is not just successful because of its age and longevity but because the company's Associates have successfully adapted to various changing business environments, investment climates, volatile market conditions and of recent, the unprecedented COVID - 19 pandemic. As a board and management our purpose remains unchanged in so far as ensuring and maximizing shareholder return . With and through our Associates, our resolve is to purposefully move us forward in delivering greater value whilst having more positive, impactful results in the communities we serve and beyond.

In 2021, SBHL continued to demonstrate the benefits of its Associates' aggressive and focused strategies with strong earnings contributions from each of the businesses. While the economic recovery is progressing at uneven rates across our footprint, we have demonstrated remarkable operating resiliency throughout the pandemic. Our present strength has been earned by our Associates Kgalagadi Breweries Proprietary Ltd (KBL) and Coca Cola Beverages Botswana (CCBB) working tirelessly to deliver value to shareholders, customers and employees, through good and challenging times. Our Associates have dedicated themselves to creating resilient businesses and for nearly two years, navigating through an unprecedented global health crisis that has continued to challenge all of us, both personally and professionally. They have strengthened their company foundations through significant investments in people, processes, technology, and products. As the stewards of this tremendous institution, we are pleased to see how efficiently and effectively our Associates worked to ensure that Sechaba Brewery Holdings Ltd continues to prosper. Our Associate teams are as strong and diverse as has ever been. While it is impossible to predict events like a global pandemic, geopolitical instability, or intense market volatility, the steps we took over the past year independent of any crisis were to support and guide our Associates

to adopt stronger and more resilient strategies which enabled us to weather the COVID-19 storm, operationally and financially. As we reflect on the past year, we are exceedingly proud of the ways in which they supported their employees, customers, and communities. Their participation in Botswana's broader response to COVID-19, which has demonstrated the power of corporate, public, and not always -for-profit collaboration, and the unwavering determination of the human spirit in the face of adversity did not go unnoticed. We are grateful for the confidence that customers of our Associates have shown in them and looking forward, we are emerging from the pandemic even more resilient, aligned, and stronger than before.

A STRONG SET OF RESULTS- SBHL FINISHES STRONG

FINANCIAL PERFORMANCE

This year, Sechaba Brewery Holdings Ltd's earnings demonstrated the power of our Associates' repositioned, well-adapted business strategies. Our performance validates the benefits of the significant investments we have made in our Associates over the last few years. As they continued to grow their market share, business has rebounded quickly to exceed pre-pandemic earnings. SBHL achieved a profit before tax of P219 million, a 30% increase from P168 million in 2020, the comparative period. The main driver for this performance is the results of the Associates during the period as the SBHL income line comprises mainly of share of results of the Associate entities. The Associates experienced improved performance relative to 2020 with total combined volumes increasing by 11% for the year 2021. The improved performance was due to the eased Covid 19 related controls and restrictions, which included the lifting of the alcohol ban.

SBHL FINISHES STRONG

The cost of compliance of SBHL as a listed company and one that is audited for effective governance continues to rise. Administration expenses were up 37% in comparison to the prior period in order to ensure compliance with various regulations. To attend to the unexpected exigencies of the time, the Board and its committees held more meetings than was initially planned. Professional fees increased to bring governance policies up to date. During the year, the company updated its Board Charter, its Finance & Risk Charter as well approved the Risk Management Policy.

Taxation for the year is in line with the results and dividend declarations. This is due to the movement in the deferred tax position and the tax withheld on dividends received. There was a change on the Tax rate on dividends from 7.5% to 10% effective July 2021.

From a financial position perspective, the value of the investment in associates grew due to the positive performance of the underlying entities during the period. Dividends payable decreased due to the campaign, which commenced in the previous year in an effort to identify and close out on unpaid dividends. This campaign also saw an update of shareholders' details allowing for better remittances during the period.

The company overall is in a good position from a liquidity perspective with adequate cash to cover operations in the year ahead. There was a 21% increase in total assets from P764 million to P928 million that was attributed to the 17% increase in investment in associates and the increase in cash and cash equivalents. Cash and cash equivalents grew by 122% at P68 million compared to prior year due to dividends received in 2021. It was noted that the increase in net revenue for associates resulted in higher dividends being declared in 2021. Post reporting period, the company received P57 million dividends from its associates. The Board declared and approved dividends amounting to 98 thebe per share at its meeting in March 2022.

One of our key areas of continued focus for our associates in 2022 and beyond will be on environmental, social, and governance matters. Ethics and Governance are integral to our organisation's success and its ability to generate value over the longer term.

I would like to recognize and thank SBHL's outgoing Chairman Mr Bafana Molomo and Ms Myra Sekgororoane who retired in 2021 as well as the previous Managing Director Mr Thabo Matthews. I would also like to extend my heartfelt gratitude to the current SBHL Board of Directors for their ongoing engagement, counsel, and support over the past year. SBHL benefits immensely from the wealth of knowledge and experience that they bring in good and difficult times. I would also like to extend my appreciation to the Managing Directors of our Associates Mr Brenno Kliger Diaz (KBL) and Mr David Chait (CCBB), both seasoned executives with a myriad of experience and skill to steer our businesses to long term success. A fond farewell to Brenno Kliger Diaz who completed his time at KBL, we are fortunate to have had him around the table this year and wish him success and prosperity. I would like to extend sincere thanks to all the staff of KBL and CCBB for their contributions during another challenging year. Across our footprint, they have risen to the occasion, continued to put our customers first, and demonstrated time and time again that in pursuit of a common vision and purpose, nothing is insurmountable.

Today we have the capital, the reputation, the partnerships, and the team to realise our ambitions for the long term. We are confident in the strategic decisions we have made with our Associates for them to become even more focused businesses that are positioned for a very bright future. We are committed to having constructive and open dialogue and engaging with our stakeholders throughout the coming year on their priorities and concerns. We value our stakeholder engagement immensely and know that we work together best through ongoing and initiative-taking dialogue. Thank you for your trust in the SBHL Board and Management throughout these uncertain times. We are profoundly grateful, and we do not take it for granted. As society and the world begin to emerge from the pandemic, it is our hope that you and your loved ones are staying healthy and safe.



Ms Tabuya Tau
Chairman of the Board

FINANCE AND AUDIT COMMITTEE CHAIRMAN'S REPORT



Ms Boitumelo Carolyn Paya
FINANCE AND AUDIT COMMITTEE CHAIRMAN

It gives me great pleasure to present to you Sechaba Brewery Holdings Limited (SBHL) Audited Financial Statements for the year ended 31 December 2021. These financial statements were prepared in Accordance with International Financial Reporting Standards (IFRSs).

The Finance and Audit Committee is a subcommittee of the Main Board in accordance with the requirements of the Botswana Stock Exchange, King III code of conduct and the SBHL Board Charter. The fundamental role of the committee is to assist the board in fulfilling its oversight responsibilities in the following main areas; financial reporting, budgeting and quality assurance of the internal control systems, risk management, governance and compliance. It is therefore a trusted mechanism of corporate governance to check the quality, credibility, and objectivity of SBHL's financial reporting. The Committee plays the role of an oversight function in the organisations' financial reporting process and communicates to shareholders through a report in the financial statements of the same. The SBHL audit committee has continued to perform the role of monitoring responsibility over management and external auditors alike. The committee is bound by terms of reference, which were updated and adopted in the 2021 financial year to align with best governance practice and financial regulations compliance.

DILIGENCE, ASSIDUITY AND RIGOR DEFINE THE FINANCE AND AUDIT APPROACH

The SBHL Finance and Audit Committee is composed of independent, non-executive members and met four times during the 2021 financial year. It is chaired by an independent non-executive board member and comprises of individual members who possess appropriate qualifications with a balance of skills and experience to discharge their responsibilities. The committee is satisfied that it has executed its duties during the past financial year in accordance with relevant legislation as regulated by the Botswana Stock Exchange (BSE), Botswana Accountancy Oversight Authority (BAOA) and The Companies Act of Botswana (Cap 42:01).

The audit committee is satisfied that the auditors PricewaterhouseCoopers are independent and were able to conduct their audit functions independently. This conclusion was arrived at after taking into account the following:

- the representations made by the auditors to the audit committee with regards to the 2021 SBHL financial results
- the fact that the auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefits from the company
- the fact that the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by them
- the fact that the auditors' independence was not prejudiced as a result of any previous appointment as auditor and
- the fact that criteria specified for independence were met

For the year under review the Finance and Audit Committee has carried out its statutory duties, including re-evaluating the performance of the external auditors and agreeing on the terms of their audit plan, budget and terms of engagement. The committee is satisfied with the financial statements,

accounting policies and the internal financial controls of the company. The committee has also reviewed the Audited Annual Financial Statements of the company, recommended the same to the board and obtained its full approval. The Finance and Audit Committee has also considered and satisfied itself of the appropriateness of the expertise and experience of the Finance Administration function.

This has been a very busy year, with more interactions than in the previous year, mainly due to the increase in corporate governance requirements as prescribed by the Botswana Stock Exchange and King III. The committee managed to discharge its duties diligently despite the challenges posed by the COVID-19 pandemic. This could not have been achieved without the dedication, support and unwavering dedication of fellow members of the Finance and Audit committee and the Main Board.

I would like to thank them, and in addition take this opportunity to acknowledge and thank Ms. Myra Sekgororoane and Mr. Thabo Matthews both of whom served in the committee until June 2021 when they stepped down from serving in the Board and its committees.

Above all else, improving governance controls, complying with financial regulations, communication, trust, respect and transparency remains the top priority of the Finance and Audit Committee.



Ms Boitumelo Carolyn Paya
Finance and Audit Committee Chairman

MANAGING DIRECTOR'S STATEMENT



Ms Faith Mabu Nteta
MANAGING DIRECTOR

The financial year 2021, has been a difficult year, not only for Sechaba Brewery Holdings Limited (SBHL), but also for the Country and the global economy as a whole. This was mainly due to the dreaded COVID-19 Pandemic, which negatively affected the human race and global economic sustenance. The year was however better than the preceding year, 2020 due to the lifting of the alcohol ban and normalization of operating hours for the alcohol industry value chain participants following COVID-19 vaccination of the population. The dynamics of the beverages industry continue to evolve and SBHL performance will improve as the associates continue to grow through increase in sales volumes and the implementation of cost control measures to maximise returns, maintain shareholder value hence achieve shareholder confidence.

MANAGING DIRECTOR'S STATEMENT

ECONOMIC ENVIRONMENT

Average Inflation for the year stood at 6.7% reflecting an increase from the previous year. For the year under review, the Government introduced several tax reforms. Value Added Tax (VAT) increased from 12% to 14% in April. In July 2021, withholding tax rate for dividends was increased from 7.5% to 10% and sugar tax levy on sweetened beverages was introduced. This directly affected our associates' input costs.

GOVERNANCE STATEMENT

For the period under review, the organisation has maintained an effective oversight of its operations and provided leadership on the matters of governance. This effectiveness has been validated by the two main regulatory bodies responsible for assessing the organisation's adherence to regulations and compliance with the best practices of corporate governance being the Botswana Stock Exchange (BSE) and the Botswana Accountancy Oversight Authority (BAOA).

SIGNIFICANT LEGAL AND REGULATORY COMPLIANCE

Regulatory enforcement is on the rise. There is a continuous increase on regulations as well as on their complexity. Moreover, the increased costs of compliance across key and relevant areas of governance such as IFRSs are anticipated. SBHL will continue to prepare and plan to ensure legal and regulatory compliance.

FRAUD AND ETHICS

SBHL is committed to the highest ethical standards in all dealings with stakeholders and shareholders. The Board and management have been honest, ethical, and open in the conduct of its affairs, both financial and non-financial. There is commitment to and reinforcement of an ethical culture in the organisation and a fraud and ethics policy will be developed and implemented in the financial year 2022.

Operational efficiency and good governance are essential for ensuring sustainability, to this end, SBHL and its associates are committed to entrenching structures that will ensure good governance and sustainability. Further details on SBHL's compliance with governance structures are included in the governance section of this annual report.



Ms. Faith Mabu Nteta
Managing Director

BOARD OF DIRECTORS



Ms Tabuya Tau
CHAIRMAN OF THE BOARD

Ms. Tabuya Tau joined the Board on the 20th December 2019 as an independent, non-executive director. She was also the Chairman of the Finance and Audit Committee before taking over as the Chairman of the Board. She is an experienced and transformational leader with extensive experience in the financial service industry; experience which spans over 20 years. At First National Bank Botswana (FNBB) she held the roles of Deputy Chief Financial Officer, Senior Manager Finance, and Treasury Accountant over a period of 10 years. She also held a role as Financial Manager at Letshego Holdings Limited, a listed micro lender. Ms. Tau holds a Masters in Business Administration from Henley Business School, is a fellow member of the Association of Chartered Certified Accountants (ACCA) and of the Botswana Institute of Chartered Accountants (BICA). She holds a Bachelor of Commerce Degree from the University of Witwatersrand. She has attended various management and leadership programmes including a Senior Management Development programme from the University of Stellenbosch. She is an Executive Director of Hollard Insurance Botswana and Hollard Life Botswana. She also previously held the role of non-executive director of Botswana Postal Services.



Ms Boitumelo Paya
CHAIRMAN OF THE BOARD FAC

Ms. Boitumelo Paya joined the Board on the 1st March 2021 as an independent non-executive director. She took over as the Chairman of Finance and Audit Committee in 2021. She is a finance professional and strategic leader. Ms. Paya is currently the Chief Financial Officer for Botswana Telecommunications Corporation Limited, responsible for providing the strategic financial direction to the Company, its Executive, and the Board as well as providing oversight of the management of financial forecasting and budgeting. She also provides oversight on the preparation of all financial reporting as well as analysis and advise on long-term business and financial planning. Ms. Paya has over 20 years of work experience in financial management including financial integration, business transformation, financial planning & analysis, audit and assurance, strategic decision support, investor relations, and Mergers & Acquisitions support. She has held various senior positions in several companies namely; Finance Director - Kgalagadi Breweries (Pty) Limited; Finance Director - Malawi Beverages Limited; and Finance Executive - SABMiller plc in the United Kingdom. She is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) as well as a Fellow Member of the Botswana Institute of Chartered Accountants (BICA). She holds a Master of Business Administration (MBA) from the University of Derby. She has previously undertaken a Management Development Programme through the Gordon Institute of Business Science (GIBS).

BOARD OF DIRECTORS



Ms Faith Mabu Nteta
MANAGING DIRECTOR

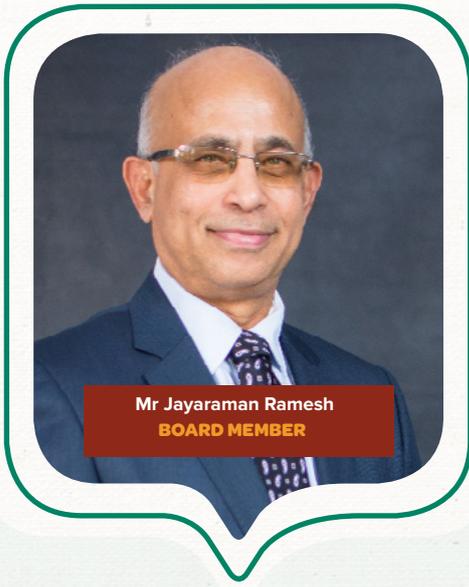
Ms. Faith Mabu Nteta joined SBHL on 1st July 2021 as a part time Managing Director and assumes full accountability to the board for all company operations. Ms. Nteta is a Principal Management Consultant and an experienced and solutions driven entrepreneur with experience in training, business turnaround and performance improvement. She has previously worked at the Botswana National Productivity Centre and thereafter founded Service Bridges Consulting where she provides business turnaround services. She holds a Bachelor of Arts (BA) degree, a Master's in Business Administration (MBA) degree. She possesses abilities in accurately identifying business problems, formulating strategic plans, facilitating and initiating change. Ms. Nteta helps to design strategies for implementing new processes in challenging and diverse environments. Ms. Nteta has extensive experience in corporate governance and leadership from both a training, facilitation and board leadership perspective. She has held Directorship roles in private and parastatal organisations such as the National Development Bank, where she served as vice Chairman, Chairman of the Board Transformation Committee and member of the Board Human Resources Committee. Ms. Nteta also served on the Local Enterprise Authority (LEA) Board as Chairman of the Board. She serves on the First Mutual Reinsurance Board and Chairs the Board of Japhala Youth Development Organisation. She is a gender activist and is involved in various advocacy programmes to champion the rights of women and girls.



Mr Meshack Tshekedi
BOARD MEMBER

Mr. Meshack Tshekedi joined the Board on the 1st of March 2021 as an independent non-executive director. He is the Chief Executive Officer of Botswana Oil Limited (BOL). He was previously the General Manager, Acting Chief Operating Officer (COO), and Acting CEO for 2 years and was subsequently appointed to the position of CEO. Prior to that, he was the acting CEO for Botswana Investment and Trade Centre (BITC), where he was initially recruited as the COO to lead the transformation of the BITC. Before then he held various leadership roles which include Group Supply Chain Director for Zambia Breweries Group, MD for MRI Botswana, Group Supply Chain Director for Kgalagadi Breweries. With over 19 years of professional and strategic experience, Mr. Tshekedi is responsible for leading the BOL to ensure the security of supply of petroleum products in the country, manage the country's strategic reserves and petroleum infrastructure, and leading the transformation of the sector to ensure meaningful participation of citizens in the sector. He leads the implementation of the company's strategic plan through a suitable business model for the benefit of the shareholder and the country. He holds a Bachelor of Science in Economics and Chemical Engineering as well as a Master of Science in Engineering. He brings a wealth of local and regional experience from various industries including Oil and Gas, FMCG, Mining, Engineering, Emergency Medical Services, Investment and Export promotion as well as Supply Chain Management where he held a senior leadership position.

BOARD OF DIRECTORS



Mr Jayaraman Ramesh
BOARD MEMBER

Mr. Jayaraman Ramesh joined the Board on 1 March 2021 as an independent non-executive director. He is the co-founder and the current non-executive Chairman of the Board of Botho University, Botswana's Leading Private University with additional campuses in Lesotho, Eswatini, Namibia, and its first Secondary school, Enko Botho, in Gaborone. Mr. Ramesh was the 1st Chairman of the Government Audit Committee and completed his 5 year tenure in June 2021. He was previously the non-executive Chairman, Managing Partner, and Partner at Grant Thornton Botswana during his 36-year career at Grant Thornton that began in July 1984. During this period, he founded Grant Thornton's iconic Private Business Growth Award. He also has experience at Grant Thornton International initially as a Board member of Grant Thornton International and later as the Regional Leader for Africa from April 2010 to April 2020, strengthening the presence of Grant Thornton on the African continent. He graduated with a Bachelor of Commerce degree from the University of Madras, India, and then qualified as a Chartered Accountant. He is a Fellow Chartered Accountant of the Botswana Institute of Chartered Accountants and is a Past President of BICA. He is also an Alumnus of Oxford University's Said Business School where he completed the senior leadership programme, Organisational leadership, while at Grant Thornton International.



Mr Modise Mokone
BOARD MEMBER

Mr. Modise Mokone is a seasoned investment professional with over 15 years experience in asset management, private equity and development finance. He holds a Bachelor of Commerce (Banking, Finance and Risk Management), a Chartered Financial Analyst (CFA®) – Level 1 and concluded a Global Executive Development Programme with GIBS. He has significant corporate governance experience having sat on several boards during his career. Mr. Mokone joined the SBHL Board on the 12th February 2019 as a non-executive director representing Botswana Development Corporation (BDC) where he was responsible for leading the Corporations investment strategy as an Investment Principal. Before BDC, Mr. Mokone served as the Head of Structured Finance at the Citizen Entrepreneurial Development Agency (CEDA) and has held other senior positions at the CEDA and Stanlib Investment Management Services (SIMS). Mr. Mokone currently serves as the Chief Investment Officer of the Minerals Development Company Botswana (MDCB) leading and overseeing the full investment lifecycle of the MDCB towards the implementation of its mandate to grow and optimise its minerals and mining investment portfolio.





**GOVERNANCE
REPORT**

GOVERNANCE REPORT

The Directors of Sechaba Brewery Holdings Limited (SBHL) continue to provide leadership oversight and strategic direction in their quest to deliver improved returns to all shareholders. The Directors have a collective responsibility to demonstrate that they are aware of their fiduciary duties towards all stakeholders. This report outlines the organisation’s approach to corporate governance.

Board Structure

Board of Directors

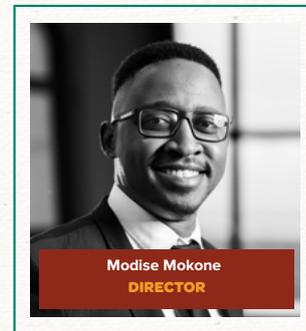
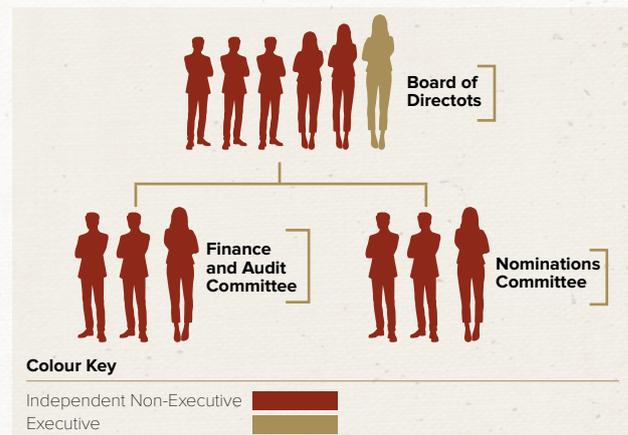
- Membership is between Four and twelve members
- Independent Non-Executive Directors majority
- One Executive Director

Finance and Audit Committee

- Three Independent Non-Executive Directors

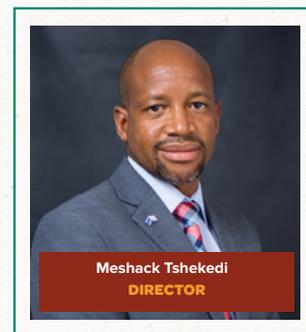
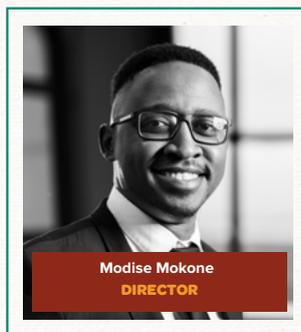
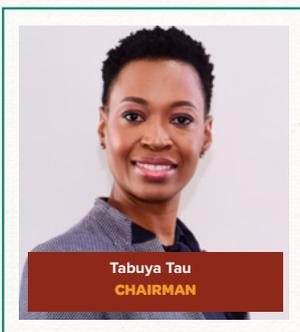
Statement of Compliance

Sechaba Brewery Holdings Limited (SBHL) and its associates are committed to observing the highest standards of pre-eminent practice in corporate governance. SBHL complied with the regulatory provisions as provided by the Botswana Stock Exchange (BSE), King III Corporate Governance, and Botswana Accountancy Oversight Authority (BAOA).



Nominations Committee

- Three Independent Non-Executive Directors



GOVERNANCE REPORT

Composition and Independence

Ms. Tabuya Tau took over from Mr. Bafana Molomo after he resigned in June 2021 as Chairman of the Board of Directors and Nominations Committee. The majority of the board are independent non-executive members. The company's Board Charter stipulates that the number of directors should not be less than four but not more than twelve.

Membership of the Board of Directors as of 31 December 2021

	Name	Status	Appointment date	Position Status
1	Ms. Tabuya B. Tau	Chairman	19 December 2019	Active
2	Ms. Faith Mabu Nteta	Managing Director	01 July 2021	Active
3	Mr. Modise Mokone	Director	12 February 2019	Active
4	Ms. Boitumelo C. Paya	Director	01 March 2021	Active
5	Mr. Meshack Tshekedi	Director	01 March 2021	Active
6	Mr. Jayaraman Ramesh	Director	01 March 2021	Active

Resignations during the year

	Name	Status	Appointment date	Resignation Date
1	Mr. Bafana Molomo	Director	25 September 2015	29 June 2021
2	Mr. Thabo Matthews	Managing Director	06 May 2015	29 June 2021
3	Ms. Myra Sekgororoane	Director	29 October 2013	29 June 2021

Board Meetings Attendance Register

During the year under review, the Board of Directors met for all its scheduled meetings. The attendance register is indicated in the table below;

Name	Date						Overall
	22 Mar 2021	21 June 2021	5 Aug 2021	15 Sept 2021	15 Oct 2021	10 Dec 2021	
Ms. Tabuya B. Tau	✓	✓	✓	✓	✓	✓	6/6
Ms. Faith Mabu Nteta	—	—	✓	✓	✓	✓	4/4
Mr. Modise Mokone	✓	✓	✓	✓	✗	✓	5/6
Ms. Boitumelo C. Paya	✓	✓	✓	✓	✗	✓	5/6
Mr. Meshack Tshekedi	✓	✓	✗	✓	✗	✓	4/6
Mr. Jayaraman Ramesh	✓	✓	✓	✓	✓	✓	6/6
Mr. Bafana Molomo	✓	✓	—	—	—	—	2/2
Mr. Thabo Matthews	✓	✓	—	—	—	—	2/2
Ms. Myra Sekgororoane	✓	✓	—	—	—	—	2/2

GOVERNANCE REPORT

Finance and Audit Committee

Name	Date				Overall
	11 Mar 2021	1 Sept 2021	29 Nov 2021	6 Dec 2021	
Ms. Tabuya B. Tau	✓	—	—	—	1/1
Ms. Myra Sekgororoane	✓	—	—	—	1/1
Mr. Modise Mokone	✓	✓	✓	✓	4/4
Mr. Thabo Matthews	✓	—	—	—	1/1
Ms. Faith Mabu Nteta	—	✓	✓	✓	3/3
Ms. Boitumelo C. Paya	—	✓	✓	✓	3/3
Mr. Jayaraman Ramesh	—	✓	✓	✓	3/3

Nominations Committee

Name	Date			Overall
	1 Feb 2021	12 Apr 2021	14 Jun 2021	
Mr. Bafana Molomo	✓	✓	✓	3/3
Ms. Myra Sekgororoane	✓	✓	✓	3/3
Mr. Modise Mokone	✓	✓	✓	3/3
Ms. Tabuya B. Tau	✓	—	—	1/1

Matters Reserved for the Board

The Board has a schedule of matters reserved for its attention and these are dealt with at each meeting. These include, but are not limited to, the approval of budgets and profit forecasts, annual financial statements, and capital expenditure budgets. Management provides regular reports to the Board on the operating and financial performance of the Company and its associates. The Board also reviews results and reports of associates through the Finance and Audit Committee. The Board is also informed of changes in relevant laws and any new legislation that may affect the business.

Board Induction

An induction programme is in place to acquaint incoming Directors with their responsibilities. During this period the induction programme consisted of documentation provided to members on constitutional and other matters, and minutes of the previous meetings and familiarisation visits to KBL and CCBB production sites. A presentation is made on various policies such as the Risk Policy and Dividend Policy. Directors are also made aware of their fiduciary duties as per the Company's Act.

Retirement of Directors

New Directors are subject to election at the first annual general meeting following their appointment, and Directors are subject to retirement and re-election by shareholders every three years.

Nominations Committee

The purpose of the committee is to provide an independent and objective body that will;

- Make recommendations on the remuneration policies and practices of the Executive Directors, senior management and the company in general.
- Make recommendations on the composition of the board and board committees and ensure that the board of directors consists of individuals who are equipped to fulfil the role of director of the company.

The Committee will develop a gender diversity policy in 2022 that will assist in the promotion of gender diversity in the Board.

GOVERNANCE REPORT

Finance and Audit Committee

The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and making recommendations to the Board regarding;

- a) Strategic financial plans and the annual operating budgets
- b) The integrity of the Financial Information, including audited financial statements, and recommendation for approval to the Board of Directors and the stakeholders
- c) Finance functions, Policies and Procedures
- d) The Company's Internal Audit and External Audit functions by ensuring they are appropriately skilled and resourced for the complexity and volume of risk and assurance needs
- e) The Company's Investment management activities
- f) The integrity of the financial statements of the company and any announcements of the company's financial performance, reviewing significant financial reporting judgements contained in them, reviewed and recommended for board, and shareholders' approval, quarterly, half-year, and annual financial statements
- g) The Company compliance and risk management systems
- h) The expertise and experience of the outsourced service provider engaged to provide the execution of the Financial Director functions
- i) The election of the external auditor, their proposed remuneration and the terms of engagement, subject to final approval by the shareholders at the Annual General Meeting (AGM)
- j) The external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements
- k) Communication with external auditors at Finance and Audit Committee meetings on audit-related issues
- l) The effectiveness of the system for monitoring compliance with laws and regulations
- m) Associate companies work towards delivering zero harm to the health and safety of employees, the general public and the environment

Directors Remuneration

The remuneration (sitting allowance) paid to Board members during the year is populated in table below; Executive directors are not paid a sitting allowance their remuneration is for executive duties.

Directors sitting allowance (Main Board and Sub committees for the year - SBHL and Associate Boards)

Financial year ended 31 December 2021

Name	Remuneration
	P'000
Ms. Tabuya B. Tau	137
Mr. Modise Mokone	187
Ms. Boitumelo C. Paya	107
Mr. Meshack Tshekedi	64
Ms. Jayaraman Ramesh	107
Mr. Bafana Molomo	76
Ms. Myra Sekgororoane	72
Mr. Oteng Keabetswe***	40

*Thabo Matthews received P217,250 compensation in the financial year 2021 as Part Time Managing Director for SBHL (Jan 2021 to June 2021)

**Faith Mabu received P224,700 compensation in the financial year 2021 as Part Time Managing Director for SBHL (Jul 2021 to Dec 2021)

***Oteng Keabetswe is a member as a direct nominee of CCBB Board of Directors and CCBB Finance and Audit Committee

GOVERNANCE REPORT

Financial year ended 31 December 2020

Name	Remuneration
	P'000
Bafana Molomo	95
Myra Sekgororoane	72
Modise Mokone	112
Tabuya Tau	100
Oteng Keabetswe**	48

* Thabo Matthews received P360,000 in the financial year 2020 as compensation for his role as Part Time Managing Director of SBHL

** Oteng Keabetswe is a member of the CCBB Board of Directors and CCBB Finance and Audit Committee as a direct nominee of BDC to the Board

Directors' Declaration of interests

Directors declared their interests at every meeting throughout the year.

Company Secretary

Grant Thornton is the Company Secretary for Sechaba Brewery Holdings Limited. The Company Secretary is responsible for ensuring Board compliance to all statutes, procedures, and regulations necessary for the business of the company. The Company Secretary acted as secretary of the Board and its committees and attended all meetings during the year under review.

The Board conducted the necessary checks and satisfied itself that the Company Secretary has the appropriate competence and experience to fulfill this role and that the relationship between the Board and the Company Secretary is an arm's length relationship.

Our Management Team

For the financial year ended 31 December 2021, SBHL had only one position in the organizational structure, the Managing Director. As at year-end, SBHL was under the stewardship of Ms. Faith Mabu Nteta. Ms. Nteta took over from Mr. Thabo Matthews who resigned in June 2021 after serving as SBHL Managing Director since January 2020. Botswana Development Corporation (BDC) provided SBHL Finance Administration Services for the year 2021. This was done through a service level agreement. Managing the organisation's financial transactions, reporting mechanisms, control, and monitoring systems the BDC team was led by Ms. Benedicta Abosi. Ms. Abosi who is full-time Chief Financial Officer for BDC and is an Associate Member of the Institute of Chartered Accountants of England and Wales (ICAEW), a Fellow Member of the Association of Chartered Certified Accountants (ACCA), a Certified Internal Auditor of the Institute of Internal Auditors (IIA) and a fellow member of the Botswana Institute of Chartered Accountants.

GOVERNANCE REPORT

In January 2022 the Finance Administration role moved from BDC to an independently appointed personnel, Ms. Thandisa T Sekga. She has over 20 years of both financial services and public sector experience, having worked as the Head of Finance at Citizen Entrepreneurial Development Agency (CEDA) and National Development Bank (NDB). She also held various positions at managerial level.

She is a Fellow Chartered Accountant registered with the Association of Chartered Certified Accountants (ACCA) and a Fellow Certified Professional Accountant (FCPA) registered with the Botswana Institute of Chartered Accountants (BICA). She also holds a Bachelor of Social Sciences (BASS) double major in Accounting and Public Administration. Lastly she is an alumni member of the University of Stellenbosch (USB) where she attained a Senior Management Development Programme (SMDP) qualification.

Managing Director

Key Responsibilities

- Ensuring the organisation's operations and business are within the parameters set by the board from time to time and that the board is kept informed of material developments in the organisation's affairs, operations, and business
- Oversight and liaison activities with enabling structures (Associates, Auditors, BSE, Transactional Services, Secretarial services, Media, and Advertising Agencies)
- Ensuring compliance with governance and regulatory requirements
- Participate in appropriate business and professional associations, networks, and activities relevant to SBHL's interests
- Ensure relationship building with external stakeholders
- Ensuring legal, ethical, and professional practices and boundaries consistent with SBHL's code of conduct/values are adhered to
- Identifying and managing operational and corporate risks for the organisation and, where those risks could have a material impact on the organisation
- Ensuring that the board is provided with sufficient accurate information on a timely basis in regard to the organisation, its operations, business and affairs, financial condition, operations, and prospects, to reasonably position the board to fulfil its governance responsibilities
- Represents the company in business negotiations with suppliers, service partners and government officials
- Ensuring that the company's policies comply with BSE, BAOA and legal regulations.
- Responsibility for engagements with Analysts & Media regarding SBHL operations and engagement with various Asset Managers

Financial Administrator

Key Responsibilities

- Act as Compliance Officer for the Company.
- Maintenance of the general ledger and preparation of management accounts and presentation to the Board and its committees
- Preparation of financial statements, coordination of external audit
- Liaison with stakeholders, shareholders and regulators
- Procurement of professional services
- In conjunction with the Corporate Secretary coordinate meetings of the Company
- To ensure that SBHL financial mechanisms and systems capture all relevant material information on a timely basis, are functioning effectively and are founded on a sound basis of prudential risk management
- Ensuring financial activities are managed within agreed budgets and informing the board in a timely manner
- Ad-hoc financial transaction processing i.e. capturing of receipts and payments in the cashbook
- Responsible of banking and optimisation of investments
- Facilitation of budgeting process for approval by the Board of Directors

GOVERNANCE REPORT

Key										
✓	Compliant	U	Under review	X	Not Compliant	P	Partially Compliant	N/A	Not Applicable	
BOARD AND DIRECTORS										
								✓		
								✓		
								✓		
								✓		Note 2
								✓		
								✓		
								✓		
								✓		
								✓		
AUDIT COMMITTEE										
								✓		
								✓		
								✓		
								P		Note 3
								✓		
								✓		
								P		Note 6
								✓		
								✓		
								✓		

GOVERNANCE REPORT

Key										
✓	Compliant	U	Under review	X	Not Compliant	P	Partially Compliant	N/A	Not Applicable	
THE GOVERNANCE OF RISK										
								✓		
								✓		
								✓		
								✓		
								✓		Note 4
								✓		
								✓		
								✓		
								✓		
								✓		
COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS										
								✓		
								✓		
								✓		
								✓		
INTERNAL AUDIT										
								N/A		Note 6
								N/A		
								N/A		
								N/A		
								N/A		

GOVERNANCE REPORT

Key										
✓	Compliant	U	Under review	X	Not Compliant	P	Partially Compliant	N/A	Not Applicable	
GOVERNING STAKEHOLDER RELATIONSHIPS										
								✓		
								✓		
								✓		
								✓		
								✓		
								✓		
INTERGRATED REPORTING										
								P		Note 3
								✓		Note 5
								✓		

Notes:	
Note 1	SBHL is a holding company. It does not have an internal information technology function. The process and practices in place concerning this governance principle are managed at associate company level
Note 2	2021 Board Evaluation was done in February 2022
Note 3	SBHL as a holding company does not use integrated reporting, however, the annual report has included Operations and Sustainability Reports from associates. The Board has satisfied itself with the integrity of the annual report
Note 4	The risk assessments will be undertaken from 2022
Note 5	Sustainability Reporting and disclosures are reported at the associate company level
Note 6	SBHL is a holding company, therefore, the processes and practices in place concerning Internal Audit principles are undertaken at associate company level



The background features a vibrant green field with rain falling diagonally. A white recycling symbol is visible on the left side, enclosed in a circle. A dark, textured foreground, possibly soil or mulch, is at the bottom. A teal rectangular box is centered on the page, containing the report title.

OPERATIONS AND SUSTAINABILITY REPORT



Coca-Cola[®]

**Beverages
Africa**

OPERATIONS AND SUSTAINABILITY REPORT

Coca-cola Beverages Botswana (CCBB) Operations Report

Botswana

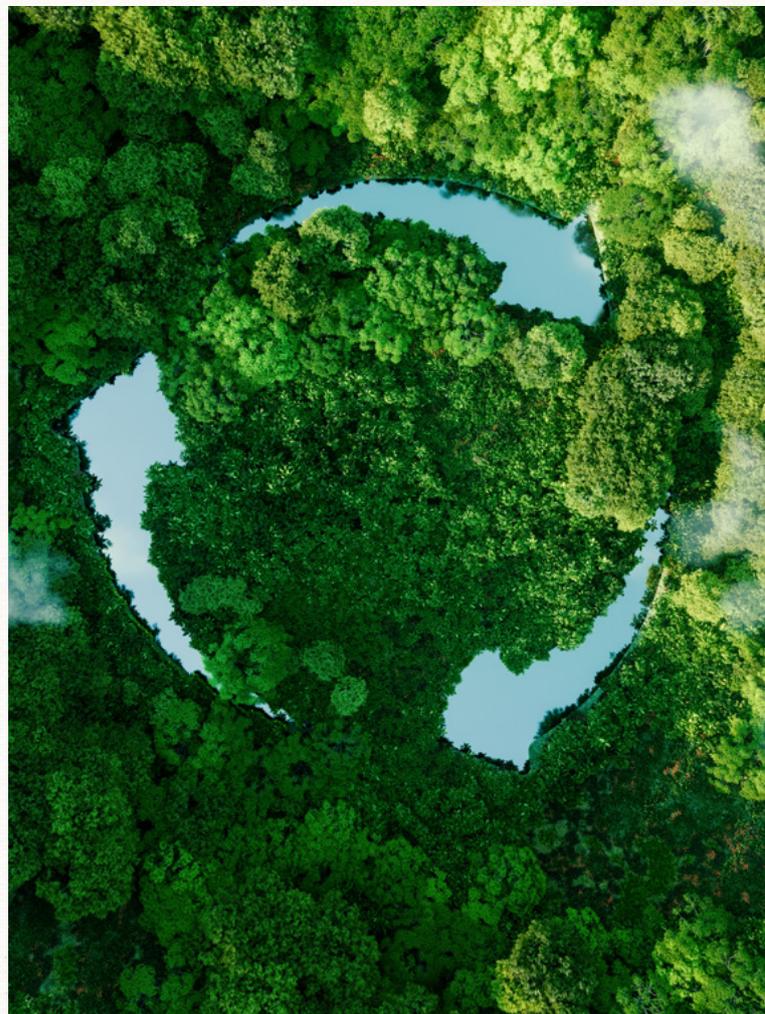
With the long-term effects of the Covid-19 pandemic still prevalent in the Botswana market, 2021 was a year centered on “recovery” for all businesses. However, this recovery was seriously threatened by the introduction of a Sugar Tax on top of the VAT and fuel price increases simultaneously implemented. Despite these headwinds, not only to the business, but also our consumers’ pockets, CCBB did excellently to reach all its volume targets and beyond.

With the year beginning with record-breaking deliverables in Q1, volumes then normalized, but remained positive in Q2 and Q3. A dip in momentum in Q4 deliverables did not deter a full year volume result that was +17.4% up vs 2020 and +7.8% up vs Plan. With the growth in volume augmented by price taking, on the back of the sugar tax, CCBB Net Sales Revenue (NSR) closed +22.9% vs 2020.

In 2021 the team followed 2020’s formula of protecting profitability, with a continued strong cost management view taken throughout the year. CCBB, again, gave salary increases to its employees in the year, and protected jobs, but did this while continuing to pay close attention to all recruitment opportunities, operational expenses, and capital expenditure (CAPEX).

Volumes were driven by the dominant 2L Sparkling Soft Drink (SSD) Polyethylene Terephthalate PET pack which contributed to 62.8% of total sales. The 330ml and 440ml Cans’ contribution rose a significant +0.7% vs 2020, closing at 17.3%, as Can sales continue in their recovery following the struggles under the Covid restriction in trade. The 440ml Can pack, in particular, showed massive growth, closing +34.8% vs 2020, having a very positive effect on the year’s profitability.

Within the 4 walls of the plant CCBB is excited to have completed the upgrade to our Syrup Room increasing the capacity of the tanks used to feed the lines as well



as the solid waste areas and have almost completed the new Waste Water Treatment Plant. Further projects have been completed to ensure less water is pulled to run the entire plant. It remains a focal area to continually look for more efficient ways to use the water at our disposal.

CCBB is very proud of the commitment and effort made by its employees to rise above the challenges of 2021 and grow to deliver higher volumes and even better customer service than ever before. The company aims to continue this rise into 2022, maintaining the momentum, and working towards delivering our full potential

OPERATIONS AND SUSTAINABILITY REPORT

Coca-cola Beverages Botswana (CCBB) Operations Report

Category Performance

Sparkling Soft Drinks (SSD):

CCBB's sparkling portfolio continued to be the largest category in the business, contributing to 87.4% of total volumes for the year. The category was driven by the core Coke, Fanta and Sprite brands, with Brand Coke closing the year +14.2% vs plan. Though the 2nd largest sparkling brand, Fanta, saw declines, this was offset by the resurgence of the Sparletta brand, which delivered +15.5% above planned volumes.

The CCBB Trade marketing team did excellently to support the sparkling category throughout the year, constantly maintaining visibility in trade through promotions and activations.



Water:

After suffering from line capacity issues in Q1 2021 due to a huge spike in the volumes of key packs, the relief on the line for the balance of the year allowed for the pipeline to be filled and sales to consistently rise as the year progressed. At the close of the year, Source Water ended +24.3% vs 2020, but -4.4% vs Plan. The hope is that this positive momentum seen in the last three quarters of 2021 can continue into the new year and drive a strong Q1 2022 performance.



Cordial:

Mazoe delivered another strong performance in 2021, driving CCBB's Stills portfolio with a 63.4% contribution. With consistency in the availability of the popular Orange Crush flavour, Mazoe, by the close of the year, delivered volumes that were +23.0% vs 2020 and +13.8% above plan.

Juice:

2021 was a transitional year for CCBB's Juice category as the company successfully made a switch in its leading juice brand from Minute Maid to Cappy. The team also managed to successfully introduce a new 500ml PET pack: the low juice content "Burst" range, and at an attractive price point of BWP5.00. There are high aspirations for the juice category going into 2022 and beyond.



Energy:

The Energy category performed excellently throughout 2021, growing a massive +35.3% vs 2020 volumes, as the category maintained its new share of the market. The year's excellent gains come as a result of great work by the trade marketing team supported by strong focus from the sales front. The impact of the marketing team's Monster and Predator promotions and initiatives continue to show as there is a continued expectation of high deliverables into 2022.



OPERATIONS AND SUSTAINABILITY REPORT

Coca-cola Beverages Botswana (CCBB) Sustainability Report



WATER TREATMENT PLANT

Botswana is a water stressed country. This is evidenced through the cyclic drought periods that have seen the country having to pipe water from the northern parts where most dams are situated.

As Coca-Cola Beverages Botswana (CCBB) we use a huge amount of water in the production of our beverages.

In 2021 CCBB invested P22 million in the construction of a new water treatment and effluent plant. This will help to reduce the amount of water used to produce the company's products, reuse water from the effluent for the facility's cooling towers and better monitoring of water usage which also helps in reducing waste. Over and above this the plant will be able to discharge into the municipal system cleaner and reusable water. The plant is expected to be operational by the start of Q2 in 2022.

It is critical for the wellbeing of our planet and humanity that we manage our use of resources like water more efficiently and protect the environment.



PET COLLECTION

Our commitment is to invest in our planet and our packaging to help make the world's packaging a thing of the past, working in partnership with The Coca-Cola Company which launched a sustainable packaging initiative called World Without Waste.

The company CCBB has launched a PET plastic bottles collection program through a P150, 000 initial investment in collaboration with Cleanico Waste Management Company. The goal is to ultimately have collected and recycled 100% of the plastic we produced in any year. This is a challenging target for the Company, but with the right partners in private and public sector we believe it is achievable in time.



WASTE

Food and Beverages packaging is an important part of our lives, yet the world has a packaging problem which we as CCBB together with the Coca-Cola Company, have a responsibility to help solve.

While we use many types of packaging including aluminum cans, our main focus is plastic.

In another initiative designed to build a more sustainable business, the company is also reducing the amount of plastic used in its packaging through light weighting it's plastic bottles.

CCBB has already shaved 3.7g off its 2 litre bottles, 5.1g off its 600ml packs and 2.75g off its 1 litre packs in a process of continuous improvement.



KBL OPERATIONS AND SUSTAINABILITY REPORT

Operations Report

In 2021, Kgalagadi Breweries (Pty) Ltd (KBL) was once again severely impacted by mandated bans on the sale of alcohol. The first ban of the year was instated from 4th January until 28th February 2021, followed by a second lengthy ban from 28th June to 6th September 2021. Overall, KBL was unable to trade for a total of 126 days of the year, as compared to 96 days in 2020. KBL performance and growth in the year 2021 was further impacted by other restrictions on the sale of alcohol, chief amongst them the restriction of unlicensed individual customers from purchasing alcohol directly from reseller outlets (or wholesalers), and the prohibition of events.

However, unlike the previous year, KBL performance improved compared to the previous year, as total volumes grew 4.7% versus 2020, largely due to improved efficiencies around availability of stock. This performance still fell significantly short versus 2019 performance – with a volume declined of 25.9% - due to zero recorded volumes in periods of no trade. The company once more showed a great resilience and agility to execute initiatives and deliver sales volumes in a highly regulated and challenging market, thus resulting in improved volumes.

Category Recovery and Growth

The clear beer category grew 6.1% versus 2020 but declined -4.7 % versus budget, despite the longer periods of no alcohol sales in 2021. Growth in the clear beer category in 2021 can be attributed to improved stock availability and favourable trading regulations, as compared to 2020. Carling Black Label continues to be the largest contributor in the core category and clear beer volumes, followed by Castle Lite and St Louis Lager. The three brands had an overall volume growth of 5.1% versus 2019, with Black Label in the lead with 10.3%. Premium brand, Corona, remains the fastest growing brand in KBL, with an increase of 236.6% and 242.3% versus 2020 and 2019, respectively. The brand also continues to gain significant market share within the larger beer category.

In fact, KBL recorded one of the highest clear beer volume sales in its history in March 2021 – the first official trading month of the year. This performance was a clear indication that a strong recovery was slated for the year, supported by the double-digit volume growth in the subsequent trading months versus C19. However, the volume growth trajectory was hampered by the second and longest ban of the year in Q3 and further by a slow recovery in Q4, following the lifting of restrictions. Despite the challenges, overall volume performance in the clear beer category in 2021 versus 2020 resulted in growth but was not enough to match or surpass 2019 performance.

Traditional African Beer (TAB)

Despite being more negatively affected by trades restrictions imposed as a result of the Covid-19 pandemic than other beer categories, during the year in question, the Traditional African Beer (TAB) category grew by 6.3% versus previous year and declined by -4.8% versus budget. The growth in the TAB category came about as a result of increased trading days and hours, as opposed to the previous year – six trading days as opposed to three trading days in 2020. TAB category positive performance occurred in Q4, with a volume growth of 13.0% reported versus a decline of -5.4% from Q1 to Q3. TAB recovery can additionally be attributed to improved efficiencies within the business.

Chibuku Beer Powder continued to grow versus 2019 and 2020, at 31.0% and 8.2%, respectively, due to effective pricing strategy and improved distribution. However, increased contribution of the Beer Powder is also a result of a market consumer shift towards the pack and away from the 2L Chibuku pack, which continues to decline in volumes.

Overall TAB continues to maintain an important and relevant contribution to the overall KBL business.



OPERATIONS AND SUSTAINABILITY REPORT

Kgalagadi Breweries Limited (KBL) Operations Report

Beyond Beer

The overall contribution of the Flavoured Alcoholic Beverages (FABs) category increased in 2021, with a growth of 19.1% versus 2020 and decline of -12.2% versus budget, a significant performance when compared to that of the total beer category (clear beer and TAB combined) at 7.0% and -5.2% versus 2020 and budget, respectively.

Category leader, Flying Fish contributed to the market share growth and contribution of the FABs category, reporting 165.1% and 238.8% versus prior year and 2019, respectively. The three-digit growth is attributed to a number of factors, namely a robust marketing strategy, and improved availability and distribution of stock.

Redd's Vodka Lemon also continues to maintain a strong relevance and space within the FABs category, despite the decline in performance.

Safety First

Our People and their safety are fundamental to our operations, entrenched in our principles. We never take shortcuts; integrity, quality and responsibility are key to building our company and reputation – to creating a future with more cheers.

Safety forms the prerequisite in our pursuit to achieve set targets. Our commitment to safety extends beyond our production and distribution centres into the communities we service, through continuous risk assessments of all areas we deliver our products to.

Safety is the foundation of all our management processes, as such, we are focused on achieving and maintaining zero injuries in all our operations by 2025. To this end, we have committed to improving the working conditions and employee behaviour at our site through continual trainings and rigorous checks and balances that form part of our daily facilities management routines.

Voyager Plant Optimization (VPO)

The VPO is the global management system employed within our breweries that cultivates a culture of continuous improvement and is at the core of our dream of creating a future with more cheers.

In 2021, we were unfortunately unable to fulfil our dream of achieving zero injuries at our production facilities; however, our performance in terms of safety was impressive. The company recorded zero fatalities, zero lost-time injuries (LTIs) and only two total recordable injuries, which is one more than the previous year.

We moreover exceeded the year-end safety target with 66.11% against 66.0%. This performance demonstrates that we are well on our way to entrenching a "World Class Safety Culture" at KBL.

Distribution Process Optimization (DPO)

Safety performance at our distribution sites was not much better. In fact, we recorded one lost time injury, a classification given to more severe injuries in the workplace that result in lost time at work, and one medical treatment injury.

Overall, 2021 has seen our safety standards and ratings severely impacted challenges presented by the Covid-19 pandemic. However, in the spirit of continuous improvement and never being satisfied with our results, we have set a safety target of zero lost time injuries for the year 2022.



OPERATIONS AND SUSTAINABILITY REPORT

Kgalagadi Breweries Limited (KBL) Sustainability Report

Optimizing our Portfolio

The 3-month-long Flying Fish campaign, “What the Flying Fish,” aimed to position the brand as a premium FAB amongst young urbanites. Key objectives for the campaign were to build awareness, improve mixed-gender appeal and revive energy behind the brand. Success of the campaign was driven by robust internal and external activations; for the latter, Flying Fish Friday’s impactful displays were set up at participating outlets to drive relevance and visual appeal, and a digital media campaign drove engagement through the use of influencers using the hashtag #whattheflyingfish.

With a three-digit increase in sales, we are confident that our goal to grow Flying Fish volumes by more than 1000% in 2022 is achievable.

Further, on premiumization, we continued our push to place Corona as brand hero of the high-end category, with the establishment of yet another brand house partnership with Corner Couch 2021 (TwoSixSeven Restaurant & Bar in 2020).

In 2021, St. Louis Lager sought to continue to leverage the power of collaboration, by forming strategic and sustainable relationships with local creatives, for the successful rollout of the sophomore leg of the “Mo Ke Botswana” campaign (launched 2020).

With a focus on its art and fashion pillars, the brand again partnered with local creatives to develop the limited edition “Jwa’Rona” 500ml can and the “Mokgabo” fashion line, comprised of sneakers from Collections by BK Proctor; backpack by Tasha T; and bucket hat by HSP. The new elements were adopted from the 2020 campaign’s centrepiece – the “Mo Ke Botswana” murals.

Pandemic Challenges and Triumphs

Alcohol Bans Litigation

At the start of 2021, the Government of Botswana announced a total ban on the sale of alcohol three days into the new year. The alcohol ban came into effect 4th January and persisted until 28th February 2021. Beyond the economic impact of yet another alcohol ban, a trade stoppage instated without prior consultation was a blow to the alcohol industry and other relevant stakeholders.

A second alcohol ban was instated on 28th June 2021, which impelled the company to pursue urgent legal action against the Government on 6th July 2021. Chief amongst the company’s justifications for filing the application was the devastating cumulative effect of trade stoppages on the 50,000 lives and 200,000 livelihoods of the industry and its expansive value chain; as well as the proliferation of illicit trade and criminality across borders and consumption of unregulated and unsafe products, which diverted crucial tax revenue away from the fiscus.

On 3rd August 2021, the High Court of Botswana moved to dismiss the application on the basis it was not urgent, prompting the company to file an urgent appeal on 16th August 2022. However, when the sale of alcohol resumed on 7th September 2021, the company would withdraw its urgent application with the Court of Appeal of Botswana.



OPERATIONS AND SUSTAINABILITY REPORT

Kgalagadi Breweries Limited (KBL) Sustainability Report

Supporting our Communities

The organizational and financial challenges caused by the trade bans did not deter the company from its commitment to continue to assist Government's Covid-19 response. In Q4 of the year in review, KBL, in partnership with the Ministry of Health and Wellness (MOHW), opened two Covid-19 vaccination centers at its Gaborone and Francistown sites. As at 31st December 2021, more than 9500 people were vaccinated at both sites. KBL additionally sponsored a vaccination drive-through at the Obed Itani Chilume Stadium in Francistown. From 8th to 12th November 2021, 1788 eligible residents received the Johnson & Johnson vaccine. Finally, on 10th December, the company donated 50 10-liter oxygen concentrators, worth BWP900,000, to the Government of Botswana. All these initiatives were supported by regular Covid-19 compliance communications on the company social media.



Driving Mindset Change

KBL executed its big, bold smart drinking campaign, "Change Mindset! Act Responsibly" in Q4 of 2021. As indicated in the name, the aim of the campaign was to positively influence consumer behaviour, particularly where compliance of Covid-19 protocols was concerned. Rollout included creation of a multi-stakeholder platform to promote dialogues about responsible consumption, enforcing Covid-19 compliance, and industry recovery efforts and operational adaptations to Covid-19 – BevTalks. Panel discussions included guest from the Ministries

of Investment, Trade and Industry and Youth Engagement, Sport and Culture; the Gaborone City Council; Botswana Alcohol Industry Association; and the Botswana Entertainment Promoters Association. Based on learnings from previous campaigns, we opted to use "Community Influencers" to share responsibility messaging, as opposed to popular or known social figures, which lent to the authenticity and sincerity of our communications.

Leveraging once more on stakeholder partnerships, we closed off the year by sponsoring, for the second year in a row, the New Year's Eve Crossover Show. The 12-hour-long festive event was used to share smart drinking tips and give away Change Mindset! Act Responsibly merchandise.

Kickstart: Rethinking Entrepreneurship

In the year under the review, KBL partnered with the United Nations Development Program (UNDP) Botswana, to sponsor 15 former beneficiaries to participate in the UNDP's multidimensional entrepreneurship and capacity development programme, Youth Connekt. From December 2021 until June 2022, the select alumni from various business sectors, including agriculture, health and manufacturing, will, among other things, undergo a 5-month-long mentorship with recognized business leaders; receive training in various capacity building training; and receive competitive lending rates through partner banks, such as Stanbic, ABSA, FNB, Standard Chartered Bank, and CEDA.

Following impact of the pandemic on the economy, on particularly small to medium enterprises, it was the company's aim to help further capacitate past beneficiaries to boost business continuity and ensure longevity.

OPERATIONS AND SUSTAINABILITY REPORT

Kgalagadi Breweries Limited (KBL) Sustainability Report

CONSERVATION



Water Stewardship

Water is a critical resource for our business and for the wellbeing of our communities. So, daily we drive the highest level of internal water efficiency in our operations to measurably improve water quality and prevent over usage. In the year under review, water usage increased from 3.98hL/hL in 2020 to 4.17hL/hL in 2021, meaning KBL did not meet its water usage efficiency goals.



Committed to Being Part of the Solution

Given the importance of water to communities irrespective of the pandemic, a 65,000L water bowser had been on loan to the Water Utilities Corporation since April 2020. As at 31st December 2020, the bowser had carried approximately 45,660m3 in the Kweneng District.



Recycling

Recycling efforts by KBL continued into 2021. Retrieval of recyclable packages (660ml and 750ml bottles) proved to be a challenge, as consumers would hoard the packs during periods of alcohol bans. To drive

recycling of bottles, the company, in collaboration with reseller outlets, launched the #RaDiBusa campaign, in which consumers and customers were given cash and vouchers in exchange for returning bottles and crates. The company also continued its partnership with local environmental NGO, Somarelang Tikologo, to collect, crush and resell nonrecyclable bottles to generate profit.



Circular Packaging

Packaging is one of the most significant components of our beer's carbon footprint. As we use copious amounts of glass and aluminum, we believe it is our responsibility to recycle these materials. We are constantly looking for ways to increase recycled materials in our packaging, support recovery and re-use of packaging, and reduce the amount of material in our packaging through actions such as light-weighting of containers.



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2021





Contents Page

General information	44
Directors' responsibility statement and approval	45
Independent auditor's report	46
Statement of profit or loss and other comprehensive income	50
Statement of financial position	51
Statement of cash flows	52
Statement of changes in equity	53
Significant Accounting Policies	54
Notes to the financial statements	62

GENERAL INFORMATION

for the year ended 31 December 2021

Country of incorporation and domicile Botswana

Nature of business and principal activities

Sechaba Brewery Holdings Limited ("the company") is an investment company with interests in Kgalagadi Breweries (Proprietary) Limited ("KBL"), and Coca-Cola Beverages (Botswana) (Proprietary) Limited ("CCBB").

Directors

T B Tau
M B Mokone
M Tshekedi- appointed on 1 March 2021
B C Paya- appointed on 1 March 2021
J Ramesh - appointed on 1 March 2021
T K Matthews - resigned on 29 June 2021
B K Molomo- resigned on 29 June 2021
M Sekgororoane–resigned on 29 June 2021
F A Nteta - appointed on 1 July 2021

Business address

Plot 50370
Acumen Park Fairgrounds
P O Box 1157
Gaborone
Botswana

Bankers Standard Chartered Bank Botswana Limited

Auditors

PricewaterhouseCoopers
Plot 50371
Fairgrounds Office Park
P O Box 294
Gaborone
Botswana

Secretary Grant Thornton Business Services (Proprietary) Limited

Transfer secretaries Corpserve Botswana

Sponsoring Brokers Imara Capital Securities (Proprietary) Limited

Functional currency Botswana Pula

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL

for the year ended 31 December 2021

The directors of the Company are responsible for the financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of financial statements in accordance with International Financial Reporting Standards.

The Company maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Company assets. The directors are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the period under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the Financial Statements:

The Financial Statements of Sechaba Brewery Holdings Limited, as identified in the first paragraph, were approved by the directors on 25 March 2022 and are signed on their behalf by:



Director



Director

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Sechaba Brewery Holdings Limited



Independent auditor's report

To the shareholders of Sechaba Brewery Holdings Limited

Our opinion

In our opinion, the economic interest financial statements give a true and fair view of the financial position of Sechaba Brewery Holdings Limited (the "Company") as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Sechaba Brewery Holdings Limited's economic interest financial statements set out on pages 50 to 79 comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the economic interest financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana

Our audit approach

Overview

	Overall materiality <ul style="list-style-type: none">• Overall materiality: P10,950,000, which represents 5% of profit before tax for the year.
	Audit scope <ul style="list-style-type: none">• Comprised full scope audits of Sechaba Brewery Holdings Limited and its associates, Kgalagadi Breweries (Proprietary) Limited and Coca-Cola Beverages (Botswana) (Proprietary) Limited.
	Key Audit Matters <ul style="list-style-type: none">• No key audit matter.

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 370 9700, www.pwc.com/bw

Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena

INDEPENDENT AUDITOR'S REPORT *(Continued)*

To the shareholders of Sechaba Brewery Holdings Limited



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the economic interest financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the economic interest financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the economic interest financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the economic interest financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the economic interest financial statements as a whole.

<i>Overall materiality</i>	<i>P10,950,000.</i>
<i>How we determined it</i>	<i>5% of the profit before tax.</i>
<i>Rationale for the materiality benchmark applied</i>	<i>We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users and is a generally accepted benchmark. We chose 5.00%, which is consistent with the quantitative materiality thresholds used for profit-oriented companies in this sector.</i>

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the economic interest financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company and its associate companies operate.

In establishing the overall approach to the audit, we determined the extent of the work that is needed to be performed by us, as the engagement team and by component auditors from other network firms operating under our instruction, in order to issue our audit opinion on the economic interest financial statements of the Company. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the economic interest financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the economic interest financial statements of the current period. These matters were addressed in the context of our audit of the economic interest financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our audit report with regard to the audit of the economic interest financial statements of the Company of the current period.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Sechaba Brewery Holdings Limited Financial Statements for the year ended 31 December 2021" and "Summary of audited financial results" which we obtained prior to the date of this auditor's

INDEPENDENT AUDITOR'S REPORT *(Continued)*

To the shareholders of Sechaba Brewery Holdings Limited



report, and the other sections of the document titled "Sechaba Brewery Holdings Limited 2021 Annual Report", which is expected to be made available to us after that date. The other information does not include the economic interest financial statements and our auditor's report thereon.

Our opinion on the economic interest financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the economic interest financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the economic interest financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the economic interest financial statements

The directors are responsible for the preparation of the economic interest financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of economic interest financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the economic interest financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the economic interest financial statements

Our objectives are to obtain reasonable assurance about whether the economic interest financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these economic interest financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the economic interest financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the economic interest financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

To the shareholders of Sechaba Brewery Holdings Limited



- Evaluate the overall presentation, structure and content of the economic interest financial statements, including the disclosures, and whether the economic interest financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the economic interest financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the economic interest financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Individual Practicing Member: Kosala Wijesena
Registration Number: 20000110

Gaborone
31 March 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Note	2021 P'000	2020 P'000
Share of profit after tax of associate companies	5	222 952	170 541
Interest income	6	81	229
Other Income	7	2	-
Administration and other expenses	8	(3 860)	(2 815)
Profit before taxation		219 175	167 955
Taxation	9	(18 943)	(12 818)
Profit after taxation for the year		200 232	155 137
Other comprehensive income		-	-
Total comprehensive income for the year		200 232	155 137
Earnings per share information			
Basic and diluted earnings per share (thebe)	11	181.01	140.25

The notes on pages 62 to 79 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2021

	Note	2021 P'000	2020 P'000
Assets			
Non-current assets			
Investment in associates	14	860 901	733 777
Current assets			
Trade and other receivables	15	19	26
Cash and cash equivalents	16	67 494	30 430
Total assets		928 414	764 233
Equity and liabilities			
Capital and reserves			
Stated capital	17	194 548	194 548
Hedging reserves		388	388
Retained earnings		683 433	528 554
Non-current liabilities			
Deferred taxation	13	42 701	33 161
Current liabilities			
Trade and other payables	18	19	102
Dividend payable	12	7 311	7 466
Current taxation payable	10	14	14
Total equity and liabilities		928 414	764 233

The notes on pages 62 to 79 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	Note	2021 P'000	2020 P'000
Cash flow from operating activities			
Net cash utilised in operations	19	(3 934)	(2 727)
Income taxation paid	10	(9 403)	(6 741)
Net cash utilised in operating activities		(13 337)	(9 468)
Cash flow from investing activities			
Dividends received	14	95 828	89 520
Interest received	6	81	229
Net cash generated from investing activities		95 909	89 749
Cash flow from financing activities			
Dividends paid to shareholders	12	(45 508)	(61 928)
Cash utilised in financing activities		(45 508)	(61 928)
Net movement in cash and cash equivalents for the year		37 064	18 353
Cash and cash equivalents at the beginning of the year		30 430	12 077
Cash and cash equivalents at end of the year	16	67 494	30 430

The notes on pages 62 to 79 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

Attributable to equity holders of the company

	Stated capital	Hedging reserves	Retained earnings	Total
	P'000	P'000	P'000	P'000
Balance at 01 January 2020	194 548	388	435 362	630 298
Profit for the year	-	-	155 137	155 137
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	155 137	155 137
Dividends paid	-	-	(61 945)	(61 945)
Total transactions with shareholders	-	-	(61 945)	(61 945)
Balance at 31 December 2020	194 548	388	528 554	723 490
Profit for the year	-	-	200 232	200 232
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	200 232	200 232
Dividends paid	-	-	(45 353)	(45 353)
Total transactions with shareholders	-	-	(45 353)	(45 353)
Balance at 31 December 2021	194 548	388	683 433	878 369

The notes on pages 62 to 79 form an integral part of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 December 2021

Corporate information

Sechaba Brewery Holdings Limited is an investment Company with interests in Kgalagadi Breweries (Proprietary) Limited (KBL) and Coca Cola Beverages (Botswana) (Proprietary) Limited (CCBB). The financial statements have been approved by the Board of Directors on 25 March 2022.

The Company is a public limited company, which is listed on the Botswana Stock Exchange and incorporated and domiciled in Botswana. The address of its registered office is Plot 50370, Acumen Park Fairgrounds, Gaborone.

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention. These financial statements are the economic interest financial statements of the Company, which includes the equity accounted results of its associates.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in the "Significant judgements and sources of estimation uncertainty" section.

All amounts in the notes are shown in Pula, unless otherwise stated. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

1.2 Investments in associates

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under this method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition in profit or loss and the company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equal or exceeds its interest in the associates, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the statement of comprehensive income.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.2 Investments in associates *(continued)*

Profits and losses resulting from upstream and downstream transactions between the Company and its associates are recognised profit or loss and other comprehensive income in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the company. Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss and other comprehensive income.

1.3 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Given the nature of the company's operations, there are no key sources of estimation uncertainty at year-end.

1.4 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved and declared by the Company's directors.

1.5 Impairment of investments in associates

Investments in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the investment in associates' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Management compares the carrying values of the investments in equity accounted investees with the respective net asset values per the financial statements. Management also takes into consideration information available at the reporting date which may have contributed to the current performance or which is expected to improve future performance of the equity accounted investees companies. The assessment of these investments for impairment therefore requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the equity accounted investees companies.

1.6 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.6 Financial instruments (continued)

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest rate method and is included in profit or loss.

The application of the effective interest rate method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.6 Financial instruments *(continued)*

Application of the effective interest method *(continued)*

If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Write off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in risk management note (note 3).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost.

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest rate method.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.6 Financial instruments *(continued)*

Recognition and measurement *(continued)*

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk.

Refer to note 3 for details of risk exposure and management thereof.

Derecognition

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The company does not have any Bank overdrafts.

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model, which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.7 Cash and cash equivalents

Classification, Recognition and measurement, Impairment and derecognition

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The company does not have any Bank overdrafts.

Cash and cash equivalents are classified as financial assets subsequently measured at amortised cost. The amortised cost approximates its fair value due to the short-term nature of these instruments.

They are measured at initial recognition, at fair value plus transaction costs, if any, and are subsequently measured at amortised cost.

The Company measures the loss allowance for cash and cash equivalent at an amount equal to 12 month expected credit loss, unless a significant increase in risk is noted, in which case lifetime expected credit losses would be determined, which represents the expected credit losses that will result from all possible non- recovery of the cash and cash equivalent balance.

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

1.8 Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

1.9 Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.10 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends received included in the cash flow statement relates to equity accounted investments.

1.11 Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

1.12 Related parties

Related parties comprise directors of the Company, its associates and companies with common control or significant influence. Transactions with related parties are in the normal course of business and on normal commercial terms.

1.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax liabilities arising from taxable temporary differences between the tax bases and carrying amounts of investments in associates are recognised, except to the extent that the Company can control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)* for the year ended 31 December 2021

1.14 Segmental reporting

The Company operates as an investment holding Company, currently holding two investment companies. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers.

The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. In this capacity, the Board monitors the overall financial results and financial positions of the associates, and its ability to pay dividends to the Company.

The key financial indicators and performance of this investment as monitored by the Board of Directors are clearly presented in the annual financial statements of the Company, specifically through disclosures of dividend income and detailed disclosures of the summarised statement of profit or loss and other comprehensive income and statement of financial position of the associates in note 13.

1.15 Earnings per ordinary share

Earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the period and are based on the net profit attributable to ordinary shareholders.

1.16 Employee benefits

The Company is an investment holding company and has no staff of its own and as such, the company does not operate any employee pension schemes. The qualifying members of the staff of its associates contribute to a defined contribution plan.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year:

COVID-19 Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration.
- the reduction in lease payments relates to payments due on or before 30 June 2021; (a subsequent amendment released in March 2021 has extended this date to 30 June 2022) and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognized in profit or loss for the reporting period arising from the application of the practical expedient.

The original version of the practical expedient was, and remains, optional. However, the subsequent amendment is, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendment would have to consistently apply the extension to similar rent concessions.

2.1 Standards and interpretations effective and adopted in the current year (continued)

The subsequent amendment is applicable retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) 1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on the initial application of the subsequent amendment. Lessees may need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendment but becomes eligible as a result of the extension.

The amendments are effective for periods beginning on or after 1 June 2020 (the subsequent amendment is effective on or after 1 April 2021), with earlier application permitted. A lessee applies the amendments retrospectively and recognizes the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied. This standard has not had any impact on the company's financial statements.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments)

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting. The following disclosures will also be necessary:

- the nature and extent of risks to which the company is exposed arising from financial instruments subject to IBOR reform and how it manages those risks; and
- the company's progress in completing its transition to alternative benchmark rates and how it is managing that transition.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. This standard has not had any impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

2.2 New standards and interpretations not yet adopted

The following are new standards, amendments to standards and interpretations which are not yet effective for the year ended 31 December 2021, and have not been applied in preparing these financial statements:

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

These amendments are not expected to have any impact on the company's financial statements.

2.2 New standards and interpretations not yet adopted *(continued)*

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37) continued

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
IAS 41 Agriculture	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

These amendments are not expected to have any impact on the company's financial statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

2.2 New standards and interpretations not yet adopted *(continued)*

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment are available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant, and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

These amendments are not expected to have any impact on the company's financial statements.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and
- added to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

These amendments are not expected to have any impact on the company's financial statements.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

2.2 New standards and interpretations not yet adopted *(continued)*

IFRS 17 Insurance Contracts (and its related amendments)

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model (“general model”) for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held.
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity’s financial statements.

These amendments are not expected to have any impact on the company’s financial statements.

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted only if the entity applied IFRS 9.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management’s intentions or expectations for settling a liability when determining its classification is unchanged.

These amendments are not expected to have any impact on the company’s financial statements.

The amendments are to be applied retrospectively from the effective date of 1 January 2023.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

2.2 New standards and interpretations not yet adopted *(continued)*

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies.
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

These amendments are not expected to have any impact on the company's financial statements.

The amendments are effective from 1 January 2023 but may be applied earlier.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

2.2 New standards and interpretations not yet adopted *(continued)*

Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

These amendments are not expected to have any impact on the company’s financial statements.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

These amendments are not expected to have any impact on the company’s financial statements.

The amendments are effective from 1 January 2023 but may be applied earlier.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

3. Risk management

Financial risk management

Market risk

Financial risk factors

The Statement of financial position includes assets and liabilities, which are subject to market risks, credit and liquidity risks. Details of these assets and liabilities are set out in the notes to the financial statements. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Total capital employed is calculated as equity.

There are no externally imposed capital requirements other than to meet solvency requirements per Section 58 of the Companies Act prior to declaration of dividends. This has been met.

Foreign exchange risk

In the normal course of business, the Company may enter into transactions denominated in foreign currencies. During the year, the Company did not have foreign currency assets and liabilities and therefore was not exposed to foreign currency risk.

Price risk

The Company's financial results and position are not exposed to equity or security price risk or commodity price risks. Due to the nature of their operations, the Company's associates are exposed to significant commodity price risks through their procurement of raw materials on international commodities markets. These are managed and monitored by the associates.

Cash flow and fair value interest rate risk

The Company may from time-to-time have interest-bearing assets and liabilities. The Company management ensures that cash resources are placed with financial institutions giving the best interest rates to mitigate any significant changes in interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. There were no significant interest-bearing assets or liabilities during the financial period.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions including outstanding receivables and committed transactions. For banks and financial institutions, only reputable parties are accepted. Management has assessed the expected credit loss on Cash and cash equivalent and noted no material impairment.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

3. Risk management *(continued)*

Financial risk management *(continued)*

Credit risk *(continued)*

The table below shows cash and cash equivalents and other receivables at their carrying value respectively as at the reporting date:

	Fully Performing P'000	Past Due P'000	Total
31 December 2021	19	-	19
Other receivables	67 494	-	67 494
Cash and cash equivalents	67 513	-	67 513
31 December 2020	22	-	22
Other receivables	30 430	-	30 430
Cash and cash equivalents	30 452	-	30 452

There were no assets at fair value through the profit and loss, liabilities at fair value through the profit and loss, derivatives used for hedging or available for sale financial instruments as at period end. None of the financial assets that are fully performing has been renegotiated during the period.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Management monitors rolling forecasts of the company's liquidity reserve (comprises cash and cash equivalents) based on expected cash flows to ensure that the company has sufficient reserves available to meet its obligations as those arise in the ordinary course of business.

Surplus cash balances are required for working capital management and is invested in interest bearing current and time deposits accounts, choosing instruments to provide sufficient headroom as determined by the above-mentioned forecasts.

At the reporting date, the company held liquid cash assets of P67.5 million (31 December 2020: P30.5 million) for managing liquidity risk. In addition, cash for expansion or dividends pay-outs to shareholders is fully funded through dividends receipts from the associates.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

3. Risk management *(continued)* Financial risk management *(continued)* Liquidity risk *(continued)*

Maturity analysis based on contractually undiscounted amounts

The table below analyses the company's liabilities that will be settled on gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year P'000s	Total P'000s
31 December 2021	7 311	7 311
Dividends payable	19	19
Other payables	7 330	7 330
31 December 2020	7 466	7 466
Dividends payable	102	102
Other payables	7 568	7 568

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

4. Categories of financial instruments

Note 1.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total P'000s
Categories of financial assets 31 December 2021			
Other receivables	19	-	19
Cash and cash equivalents	67 494	-	67 494
	<u>67 513</u>	<u>-</u>	<u>67 513</u>
Categories of financial liabilities 31 December 2021			
Other payables	-	19	19
Dividends payables	-	7 311	7 311
	<u>-</u>	<u>7 330</u>	<u>7 330</u>

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total P'000s
Categories of financial assets 31 December 2020			
Other receivables	22	-	22
Cash and cash equivalents	30 430	-	30 430
	<u>30 452</u>	<u>-</u>	<u>30 452</u>

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total P'000s
Categories of financial liabilities 31 December 2020			
Other payables	-	102	102
Dividends payables	-	7 466	7 466
	<u>-</u>	<u>7 568</u>	<u>7 568</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
for the year ended 31 December 2021

	2021 P'000	2020 P'000
5 Share of results of associate companies		
Share of profits		
Kgalagadi Breweries (Proprietary) Limited	157 805	119 507
Coca cola Beverages (Botswana) (Proprietary) Limited	65 147	51 034
	222 952	170 541
Share of other comprehensive income		
Kgalagadi Breweries (Proprietary) Limited	-	-
Coca cola Beverages (Botswana) (Proprietary) Limited	-	-
	-	-
6 Interest income		
Interest income on investments and short-term deposits		
Interest on call deposits	81	229
7 Other income		
Tender fees	2	-
8 Administrative Expenses		
Advertising	(137)	(43)
Audit fees	(191)	(156)
Bank Charges	(12)	(2)
Board Expenses	(6)	-
Directors' Fees	(790)	(431)
Insurance	(17)	(17)
Management fees	(1 324)	(1 132)
Professional fees	(740)	(430)
Publish Annual Report	(124)	(203)
Stock Exchange Fees	(279)	(242)
Telephone and internet charges	(2)	-
Transfer Costs	(238)	(159)
	(3 860)	(2 815)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
for the year ended 31 December 2021

	2021 P'000	2020 P'000
9 Taxation		
Current	-	-
Botswana Company tax	(9 403)	(6 748)
Withholding tax on dividends received	(9 403)	(6 748)
Deferred		
Outside basis deferred tax on investment in associates	(9 540)	(6 070)
	(18 943)	(12 818)
Tax expense reconciliation		
Profit before tax	219 175	167 955
Tax expenses at applicable 22% tax rate (2020 22%)	48 218	36 950
Tax effect of expenses that are not deductible for tax purposes	849	618
Effect of deferred tax liability recognised on investment in associate at different rate (7.5%) (2020 7.5%)	9 534	6 071
Withholding tax on dividend paid at different rate (7.5%) (2020 7.5%)	687	6 714
Withholding tax on dividend paid at different rate (10%) (2020 7.5%)	8 667	-
Income not subject to tax – share of profit	(49 012)	(37 536)
Tax per income statement	18 943	12 818
10 Taxation paid		
Balance at the beginning of the period	(14)	(7)
Current taxation for the period recognised in profit or loss	(9 403)	(6 748)
Balance at the end of the period	14	14
	(9 403)	(6 741)
11 Earnings per share		
Basic and diluted earnings per share (thebe)	181.01	140.25
Reconciliation of profit for the period to basic earnings		
Net profit attributable to shareholders (P'000)	200 232	155 137
Weighted average number of ordinary shares in issue (thousands)	110 617	110 617

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
for the year ended 31 December 2021

	2021 P'000	2020 P'000
12 Dividends paid		
Opening dividends balance	(7 466)	(7 448)
Dividends for the year	(45 353)	(61 945)
Closing dividends balance	7 311	7 466
Dividends paid	(45 508)	(61 928)
Dividends per share (thebe)	4114	55.98
13 Deferred Taxation		
Deferred tax liability	(42 701)	(33 161)
Investment in associates		
Reconciliation of deferred tax liability		
At beginning of year	(33 161)	(27 091)
Deferred tax credit on investment in associates	(9 540)	(6 070)
Deferred tax carried forward	(42 701)	(33 161)

14 Investments in associates

Material associates

The following table lists all material associates to the company

	Country of incorporation	Method	% ownership interest	
			2021	2020
Coca cola Beverages (Botswana) (Pty) Ltd ("CCBB")	Botswana	Equity	49.90	49.90
Kgalagadi Breweries Limited (Pty) Ltd ("KBL")	Botswana	Equity	49.90	49.90

KBL is involved in the manufacture, import, distribution and marketing of a portfolio of clear beers, alcoholic fruit beverages and traditional beers. CCBB is involved in the manufacturing, import, distribution and marketing a portfolio of soft drink, purified water and other non-alcoholic beverages.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

14 Investment in associates *(continued)*

Movement in investment in associates is as follows:

	KBL P'000	CCBB P'000	Total P'000
Opening cost of investment as at 01 January 2021	596 176	137 601	733 777
Equity accounted share of profit	157 805	65 147	222 952
Share of dividend received	(55 389)	(40 439)	(95 828)
Closing cost of investment as at 31 December 2021	698 592	162 309	860 901
Opening cost of investment as at 01 January 2020	526 569	126 186	652 755
Equity accounted share of profit	119 507	51 035	170 542
Share of dividend received	(49 900)	(39 620)	(89 520)
Closing cost of investment as at 31 December 2020	596 176	137 601	733 777

	Coca cola Beverages (Botswana) (Pty) Ltd		Kgalagadi Breweries Limited (Pty) Ltd	
Summarised Statement of Profit or Loss or Other Comprehensive income as at 31 December	2021 P'000	2020 P'000	2021 P'000	2020 P'000
Revenue	900 122	733 468	1 681 869	1 484 241
Income and other expenses	(750 444)	(610 564)	(1 301 411)	(1 197 930)
Profit before tax	149 678	122 904	380 458	286 311
Tax expense	(19 124)	(20 630)	(64 215)	(46 819)
Profit from continuing operations	130 554	102 274	316 243	239 492
Profit after tax from discontinued operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	130 554	102 274	316 243	239 492
Summarised Statement of Financial position as at 31 December	2021 P'000	2020 P'000	2021 P'000	2020 P'000
Assets				
Non-current	273 479	216 217	728 698	750 916
Current	236 026	263 976	939 171	646 871
Total assets	509 505	480 193	1 667 869	1 397 787
Liabilities				
Non-current	14 861	18 023	64 234	63 527
Current	169 379	186 419	385 414	321 282
Total liabilities	184 240	204 442	449 648	384 809
Total net assets	325 265	275 751	1 218 221	1 012 978

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2021

14 Investment in associates *(continued)*

Reconciliation of net assets to equity accounted investments in associates

	KBL P'000	CCBB P'000	Total P'000
31 December 2021			
Total net assets of the associate	1 218 221	325 265	1 543 486
Share of net assets of associates 49.9%	607 892	162 309	770 201
Goodwill	90 700	-	90 700
Carrying value	698 592	162 309	860 901
Reconciliation:			
Investment as at 01 January 2021	596 176	137 601	733 777
Share of profit	157 805	65 147	222 952
Share of dividend received from associates	(55 389)	(40 439)	(95 828)
Investment as at 31 December 2021	698 592	162 309	860 901
31 December 2020			
Total net assets of the associate	1 012 978	275 751	1 288 729
Share of net assets of associates 49.9%	505 476	137 601	643 077
Goodwill	90 700	-	90 700
Carrying value	596 176	137 601	733 777
Reconciliation:			
Investment as at 01 January 2020	526 569	126 186	652 755
Share of profit	119 507	51 035	170 542
Share of OCI	-	-	-
Share of dividend received from associates	(49 900)	(39 620)	(89 520)
Investment as at 31 December 2020	596 176	137 601	733 777

An assessment of the impairment of investment in associates was performed to determine the impact of COVID-19 on the investment valuation and no objective evidence of impairment was noted. Refer note 1.5.

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the company and the associates.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
for the year ended 31 December 2021

15. Trade and other receivables

	2021 P'000	2020 P'000
Other receivables	7	22
Non-financial instruments		
Prepayments	12	4
	19	26

16. Cash and cash equivalents

Cash and cash equivalents comprise of:

Bank balances	67 494	30 430
	67 494	30 430

17. Stated capital

Reconciliation of number of shares issued

At the beginning and end of the year	110 617	110 617
--------------------------------------	---------	---------

Issued

110 616 859 ordinary shares of no par value - fully paid	194 548	194 548
--	---------	---------

18. Trade and other payables

Other payables	19	102
----------------	----	-----

19. Cash utilised in operations

Profit before finance income and income tax

	219 094	167 647
--	---------	---------

Adjustments for:

Share of profit from associates	(222 952)	(170 462)
---------------------------------	-----------	-----------

Changes in working capital:

Trade and other receivables	7	(14)
-----------------------------	---	------

Trade and other payables	(83)	102
--------------------------	------	-----

	(3 934)	(2 727)
--	---------	---------

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
for the year ended 31 December 2021

	2021 P'000	2020 P'000
20. Related parties		
Related parties comprise directors of the company, the company's associates and entities under common control and ownership. Transaction with related parties carried out during the year are:		
Relationships		
Associates		
Kgalagadi Breweries (Proprietary) Limited		
Coca-Cola Beverages (Botswana) (Proprietary) Limited		
Shareholder		
Botswana Development Corporation Limited		
Related party balances		
There were no outstanding balances due to or from related parties at the end of the year (2020: PNil)		
Related party transactions		
Dividends received		
Kgalagadi Breweries (Proprietary) Limited	55 389	49 900
Coca-Cola Beverages (Botswana) (Proprietary) Limited	40 439	39 620
	<u>95 828</u>	<u>89 520</u>
Management fees		
Botswana Development Corporation Limited	1 324	1 132
	<u>1 324</u>	<u>1 132</u>
Dividends Paid		
Botswana Development Corporation Limited	8 533	12 099
Key management remuneration		
Directors fees (executive)	442	-
Directors fees (non- executive)	790	431
	<u>1 232</u>	<u>431</u>

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* for the year ended 31 December 2021

21. Going Concern

The Directors assessed the Company's ability to continue as a going concern taking into account all available information about the future including an analysis of the possible impact on the company operations and those of its associates. The Board of Directors assessed the impact of COVID -19 pandemic on the associate businesses. The risks identified had been recorded and relevant controls implemented to mitigate the risks. For the year ended 31 December 2021, business operational risks related to COVID – 19 reduced substantially because of risk mitigating factors put in place by the Board as well as Government efforts to control the pandemic through vaccinating the population.

The Board of Directors has assessed that there are sufficient cash resources available to settle the Company's obligations up to 12 months from the date of the approval of these financial statements. The Government of Botswana continues to vaccinate its population to minimise the impact of COVID – 19. The financial statements have thus been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. Events after the reporting period

Dividends received

The Company received P56.68 million dividends from its associates in March 2022.

Dividends declared

A dividend of 98 thebe per share was recommended and declared by the Board of Directors on the 25th March 2022.

SHAREHOLDER INFORMATION

for the year 2021

TOP 25 SHAREHOLDERS			
Name		Total Shares	% Holding
1	SCBN(PTY) LTD RE: BPOPF LEA PORTFOLIO CO AG	26,862,494	24.28%
2	BOTSWANA DEVELOPMENT CORPORATION LIMITED	20,812,462	18.81%
3	FNB BOTSWANA NOMINEES RE: BIFM - BPOPF ACT MEM & DP EQ	13,592,013	12.29%
4	MOTOR VEHICLE ACCIDENT FUND	5,059,564	4.57%
5	SCBN (PTY) LTD RE: SSB 001/216	4,428,317	4.00%
6	STANBIC NOMINEES BOTSWANA RE ALLAN GRAY DEBSWANA PF	4,052,757	3.66%
7	SCBN (PTY) LTD RE: JPM 064/03	4,014,427	3.63%
8	STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MCP	3,284,036	2.97%
9	STANBIC NOMINEES BOTSWANA RE NINETY-ONE DPF (LOCAL EQ)	2,485,988	2.25%
10	FNBB NOMINEES RE: VUNANI BPOPF	1,694,738	1.53%
11	STANBIC NOMINEES BOTSWANA RE BIFM MLF	1,588,952	1.44%
12	STANBIC NOMINEES BOTSWANA RE BIFM PLEF	1,464,985	1.32%
13	STANBIC NOMINEES BOTSWANA RE MORULA DPF	1,380,492	1.25%
14	SCBN (PTY) LTD RE: IAM 030/30 METROPOLITAN LIFE BW POLICY	1,140,162	1.03%
15	SCBN (PTY) LTD RE: SSB 001/81 PARAMETRIC TAX-MAN E M F	1,086,400	0.98%
16	SCBN (PTY) LTD RE: BIFM 02891440001 UB DC PF	1,025,953	0.93%
17	STANBIC NOMINEES BOTSWANA RE:NINTEY-ONE BW MANGED FUND	1,005,291	0.91%
18	GUARANTEED LOANS INSURANCE FUND	966,613	0.87%
19	FNBBN (PTY) LTD RE:NINETY ONE BOBDCSPF	833,306	0.75%
20	SCBN (PTY) LTD RE: SSB 001/114	651,828	0.59%
21	SCBN (PTY) LTD RE: AG 216/001 ALEXANDER FORBES RF	578,178	0.52%
22	STANBIC NOMINEES BOTSWANA RE BPOPF NON PROFIT-MCP	510,658	0.46%
23	SCBN (PTY) LTD RE: AG 028922700004 AG UB DF CON PF	483,424	0.44%
24	STANBIC NOMINEES BOTSWANA RE: BURS EMPLOYEE PF	472,296	0.43%
25	SCBN(PTY) LTD RE:BIFM WUC STAFF PENSION FUND	469,949	0.42%
TOTAL		99,945,283	90.35%

MAJORITY SHAREHOLDERS			
Names		Total Shares	% Holding
FNB BOTSWANA NOMINEES (PTY) LTD RE:AG BPOPF EQUITY BOTSWANA		26,862,494	24.28%
BOTSWANA DEVELOPMENT CORPORATION LIMITED		20,812,462	18.81%
FNB BOTSWANA NOMINEES RE: BIFM - BPOPF ACT MEM & DP EQ		13,592,013	12.29%

SHAREHOLDER INFORMATION *(Continued)*

for the year 2021

Shareholder spread (public/non public)

	Number of shareholders	Total Shares	% Holding
Total	1,623	110,616,859	100.00%
Public shareholders	1,622	89,804,397	81.19%
Non Public shareholders	1	20,812,462	18.81%
Analysis of non public shareholders			
BOTSWANA DEVELOPMENT CORPORATION LIMITED		20,812,462	18.81%

Spread by number of shares

	Number of shareholders	% of Shareholders	Total Shares	% Holding
< 2,000	1,311	80.78%	653,399	0.59%
2,001 - 5,000	140	8.63%	482,284	0.44%
5,001 - 10,000	44	2.71%	315,387	0.29%
10,001 - 50,000	50	3.08%	1,195,979	1.08%
50,001 - 100,000	22	1.36%	1,681,583	1.52%
100,001 - 500,000	34	2.09%	7,768,613	7.02%
> 500,000	22	1.36%	98,519,614	89.06%
	1,623	100.00%	110,616,859	100.00%

BSE performance

Total number of shares traded FY 2021	3,149,315
As a % of shares in issue	2.85%
Total value of shares traded	P52,236,000.61
Total number of trades	148
Average trade size (number of shares)	21,279
Share price 31 December 2020	P20.65
Share price 31 December 2021	P16.70
Growth in share price	-19.13%
DCI 31 December 2020	6,879.35
DCI 31 December 2021	7,059.82
2021 Growth in DCI	2.62%

Shareholder's Diary

Financial Year End – 31 December 2021
Preliminary Annual Results Announcements – 31 March 2022
Annual Report Posted – 7th June 2022
Annual General Meeting – 28th June 2022
Preliminary Half year results announcement – On or before 30 September 2022

Dividends

	Declared	Paid
Interim	September	October
Final	March	May

NOTICE AND AGENDA OF THE 2022 ANNUAL GENERAL MEETING

Notice of Annual General Meeting

Notice is hereby given that the 2022 Annual General Meeting of Sechaba Brewery Holdings Limited will be held at 11:00 hours on Tuesday 28, June 2022 Via Microsoft – Teams.

A. Ordinary Resolutions

1. To read the notice convening the meeting.
2. Welcome and opening remarks by the Chairman
3. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2021 together with the Directors and Auditors report thereon.
4. To consider and ratify the distribution of dividend declared for the year ended 31 December 2021 at 114 thebe per share.
5. To confirm the appointment of the following as the Managing Director of the company:
 - Faith Mabu Nteta
6. To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2021.
7. To ratify the remuneration paid to the auditors, PricewaterhouseCoopers for the year ended 31 December 2021.
8. To appoint Ernst & Young as auditors for the ensuing year ending 31 December 2022 and authorise the Directors to fix their remuneration.

B. Any Other Business

9. To answer any questions raised by shareholders in respect of the affairs and the business of the company.
10. To close the meeting

Voting and Proxies

Any member entitled to attend and vote may appoint a proxy (who need not be a member of the company) to attend and vote for him/her on his/her behalf. The proxy form must be forwarded or posted to reach Corpserve, the Transfer Secretaries not less than 48 hours before the meeting.

By order of the Board

Company Secretary
Grant Thornton Business Services (Pty) Ltd

25 May 2022

Acumen Park
Plot 50370, Fairgrounds Office Park
P. O. Box 1157
Gaborone

PROXY FORM

Please read the notes overleaf before completing this form

For use at the Annual General Meeting of shareholders of the company to be held virtually at 1100 hours on Tuesday 28th June 2022.

I/We

(Name in block letters) _____

Of (address) _____

Hereby appoint _____

Or failing him/her _____

Or failing him/her, the Chairman of the meeting as my/our proxy to act for me/us at the 2022 Annual General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name in accordance with the following instruction.

NUMBER OF SHARES				
		For	Against	Abstain
Ordinary resolution 1	Agenda No 3			
Ordinary resolution 2	Agenda No 4			
Ordinary resolution 3 i. Faith Mabu Nteta	Agenda No 5			
Ordinary resolution 4	Agenda No 6			
Ordinary resolution 5	Agenda No 7			
Ordinary resolution 6	Agenda No 8			

Signed at: _____

Date: _____

Signature: _____

Assisted by (where applicable) _____

PROXY FORM *(Continued)*

Each Shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the Shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1 -7 on the reverse side hereof

1. A Shareholder must insert the names of two alternative proxies of the Shareholders choice in the space provided with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.
3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.
4. The Chairman of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
5. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
6. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.
7. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian.

Registered Office

Plot 50370
Acumen Park Fairgrounds
P O Box 1157
Gaborone
Botswana
Email: sechabaenquiries@sbhl.co.bw

Transfer Secretaries

Corpserve Botswana
Unit 206, Second Floor
Plot 64516 Showground Close
Fairgrounds
Gaborone
Botswana
Tel: +267 393 2244
Email: contactus@corpservebotswana.com

External Auditors

Pricewaterhouse Coopers
Plot 50371 Fairgrounds Office Park
P.O. Box 294
Gaborone
Botswana
Tel +267 395 2011

Sponsoring Brokers

Imara Capital Securities (Pty) Ltd
A Member of the Botswana Stock Exchange
Plot 74770 Western Commercial Road, New CBD
Private Bag 173
Gaborone
Botswana
Tel: +267 318 8886