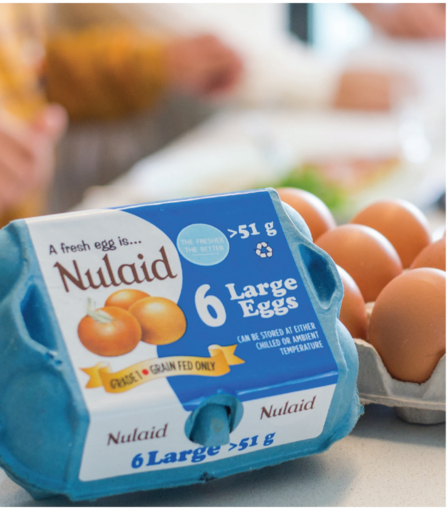
Notice and Proxy of Annual General Meeting
for the year ended 30 September 2017

QUANTUM FOODS



QUANTUM FOODS HOLDINGS LTD

Notice and proxy of annual general meeting and summary consolidated financial statements for the year ended 30 September 2017

Highlights	2017	2016
Revenue	**R4 052 million**	R3 913 million
Operating profit	**R149 million**	R124 million
Operating profit (before items of a capital nature)*	**R170 million**	R89 million
Headline earnings	**R112 million**	R66 million
Earnings per share	**55.7 cents**	39.2 cents
Headline earnings per share	**49.0 cents**	28.2 cents
Final dividend per share	**34.0 cents**	6.0 cents

* *Income or expenditure of a capital nature in the statement of comprehensive income, i.e. all profit or loss items that are excluded in the calculation of headline earnings per share. The principal items excluded under this measurement are profits or losses on disposal of property, plant and equipment.*

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LETTER TO THE SHAREHOLDERS

24 January 2018

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM

We are pleased to enclose herewith a detailed notice of Quantum Foods Holdings Ltd's ("Quantum Foods" or "the Company" or "the Group") fourth annual general meeting to be held at 10:00 on Friday, 23 February 2018, at Le Bac Estates, R45 Noorderpaarl, Paarl.

We have also included the following:

- summary consolidated annual financial statements with explanatory notes and commentary; and
- a proxy form.

The proxy form includes comprehensive instructions on how to complete the form itself. However, should you have questions, do not hesitate to contact our offices.

In an effort to support environmental initiatives, printed copies of Quantum Foods' full integrated annual report with summary financial statements will only be mailed to shareholders on request. The full report and full financial statements are available for download on our website at www.quantumfoods.co.za.

However, should you require a printed copy of the full integrated annual report with summary financial statements or full financials, please contact Veronica Basson at info@quantumfoods.co.za or Ntokozo Makomba at Ntokozo.Makomba@quantumfoods.co.za to request a copy.

Yours sincerely

Ntokozo Makomba
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 30 September 2017

Notice is hereby given to all shareholders recorded in the securities register of Quantum Foods as at Friday, 19 January 2018, that the fourth annual general meeting of Quantum Foods will be held at 10:00 on Friday, 23 February 2018, at Le Bac Estates, R45 Noorderpaarl, Paarl ("the annual general meeting" or "AGM").

PURPOSE

The purpose of the annual general meeting is to transact the business set out in the agenda below.

AGENDA

1. Presentation of the audited annual consolidated financial statements of the Company, including the reports of the directors and the audit and risk committee and the unmodified audit opinion for the year ended 30 September 2017. The audited annual consolidated financial statements are available on the Company's website at http://quantumfoods.co.za/financial-reports/.

2. Resolutions:

- Ordinary resolutions 1 – 9
- Special resolutions 1 – 4

ORDINARY RESOLUTIONS

To consider and, if deemed fit, pass, with or without modification, the following ordinary resolutions:

1. Ordinary resolution number 1

Re-appointment of auditors

"Resolved that the re-appointment of PricewaterhouseCoopers Inc. as the auditors for the ensuing year on the recommendation of the audit and risk committee is hereby confirmed, that Mr DG Malan, registered in accordance with the Auditing Professions Act, Act 26 of 2005, is hereby confirmed as the individual responsible for performing the function of auditor from February 2018, and that the audit and risk committee be authorised to approve their remuneration."

The audit and risk committee conducted an auditor suitability assessment on the audit firm and the individual responsible for the audit and recommends their appointment.

Reason for ordinary resolution number 1

The reason for ordinary resolution number 1 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the AGM of the Company as required by the Companies Act, Act 71 of 2008 ("Companies Act").

2. Ordinary resolutions numbers 2 and 3

Re-election of directors retiring by rotation

"Resolved that the following directors, who retire by rotation in terms of the memorandum of incorporation ("MOI") of the Company and, being eligible, and offering themselves for re-election, be and are hereby re-elected as directors."

2.1 Ordinary resolution number 2

Re-election of director: Mr Norman Celliers

2.2 Ordinary resolution number 3

Re-election of director: Mr Geoffrey George Fortuin

The Board supports the re-election of the directors above.

Reason for ordinary resolutions numbers 2 and 3

The reason for ordinary resolutions numbers 2 and 3 is that these directors will retire at the AGM by rotation in terms of clause 29.3.4 of the Company's MOI and, being eligible, have availed themselves for re-election.

A brief CV of each of the directors up for re-election to the Board appears in Annexure 3 to this notice of AGM.

3. Ordinary resolution number 4

Re-appointment of member of the audit and risk committee

"Resolved that Mr Patrick Ernest Burton, being eligible and availing himself for re-appointment, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next AGM of the Company to be held in 2019."

4. Ordinary resolution number 5

Re-appointment of member of the audit and risk committee

"Resolved that Prof. Abdus Salam Mohammad Karaan, being eligible and availing himself for re-appointment, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next AGM of the Company to be held in 2019."

5. Ordinary resolution number 6

Re-appointment of member of the audit and risk committee

"Resolved that Mr Geoffrey George Fortuin, being eligible and availing himself for re-appointment, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, subject to the passing of ordinary resolution number 3, until the next AGM of the Company to be held in 2019."

Reason for ordinary resolutions numbers 4 – 6

The reason for ordinary resolutions numbers 4 – 6 is that section 94(2) of the Companies Act requires the Company to elect at least three members of the audit and risk committee at each AGM. A brief CV of each of these independent non-executive directors appears in Annexure 4 to this notice. As is evident from the CVs of these directors, all of them have academic qualifications or experience in one or more of the following areas, i.e. economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources.

6. Non-binding advisory votes

6.1 Ordinary resolution number 7

Non-binding advisory vote on Quantum Foods' remuneration policy

"Resolved that the Company's remuneration policy, as set out in Annexure 5 to this notice of AGM, be hereby endorsed by way of a non-binding advisory vote."

Reason for ordinary resolution number 7

The reason for ordinary resolution number 7 is that the King IV Report on Corporate Governance™ for South Africa ("King IV™") recommends that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policy adopted. Ordinary resolution number 7 is of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when making amendments to the Company's remuneration policy.

6.2 Ordinary resolution number 8

Non-binding advisory vote on the implementation report of the remuneration policy of Quantum Foods

"Resolved that the Company's implementation of the remuneration policy, as set out in the remuneration report in Annexure 5 to this notice of AGM, be and is hereby endorsed by way of a non-binding vote."

Reason for ordinary resolution number 8

The reason for ordinary resolution number 8 is that King IV™ recommends that the implementation of a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the implementation of the Company's remuneration policies. Ordinary resolution number 8 is of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements. However, the Board will take the outcome of the vote into consideration when making amendments to the Company's remuneration policy.

7. Ordinary resolution number 9

Amendment of rules of the Phantom Share Plan

"Resolved that the existing rules of the Phantom Share Plan, which contain the terms of and govern the Company's share incentive scheme, be amended as set out below:

The amendment of the existing definition of "**Exercise Period**" in clause 2.1.20 of the rules of the Phantom Share Plan, by the deletion of the words "6 (six)" and replacing it with "12 (twelve)", so that such clause will thereafter read as follows:

*"2.1.20 "**Exercise Period**": in respect of each PSR, the period from the Vesting Date of that PSR to midnight on the date that falls 12 (twelve) months from the relevant Vesting Date, or such other period as may be determined by the Directors in their discretion and approved by the JSE and shareholders of the Company, to the extent required;"*

A copy of the full rules of the Phantom Share Plan will, from the date of this Notice until the date of the AGM, be available for inspection by shareholders during normal business hours at the Company's registered office at 11 Main Road, Wellington, 7655, and the offices of the Company's Sponsor, PSG Capital, on the 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7599.

Reason for ordinary resolution number 9

The reason for ordinary resolution number 9 is to obtain the prior approval of shareholders to amend the rules of the Phantom Share Plan, such approval being required in terms of paragraph 14.2, read with paragraph 14.1, of schedule 14 of the JSE Listings Requirements. The effect of ordinary resolution number 9, if passed, will be that the proposed amendments to the rules of the Phantom Share Plan are approved.

In terms of the JSE Listings Requirements, in order for ordinary resolution number 9 to be adopted, the support of at least 75% of the votes cast on such resolution by shareholders, present in person or by proxy, is required.

SPECIAL RESOLUTIONS

To consider, and if deemed fit, pass, with or without modification, the following special resolutions:

8. Special resolution number 1

Approval of the non-executive directors' remuneration

"Resolved that, in terms of section 66(9) of the Companies Act, the Company be and is hereby authorised to remunerate its non-executive directors for their services rendered as directors as from 1 April 2018, until the date of the next AGM of the Company, on the basis set out below:

	Fees from 1 April 2018 until 31 March 2019 Rand (exclusive of VAT)	Fees from 1 April 2017 until 31 March 2018 Rand (exclusive of VAT)
Chairman of the Board	**315 000**	295 000
Lead independent director	**270 000**	N/A
Committee chairman	**54 000**	50 000
Committee member	**50 000**	47 000
Board member (not serving on a committee)	**224 000**	210 000

Reason for special resolution number 1

The reason for special resolution number 1 is to approve the remuneration payable by the Company to its non-executive directors for their services as directors of the Company for the period from 1 April 2018, until the next AGM of the Company. This will enable the Company to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next AGM of the Company.

9. Special resolution number 2

General Authority to repurchase shares by the Company and its subsidiaries

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI of the Company, the JSE Listings Requirements and the requirements of any other stock exchange on which the shares of the Company may be quoted or listed, including, inter alia, that:

- the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;

- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Board approving the purchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group;
- the general repurchase is authorised by the Company's MOI;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may, at any point in time, only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme that has been submitted to the JSE in writing and executed by an independent third party."

Reason for special resolution number 2

The reason for special resolution number 2 is to grant the directors a general authority in terms of the Company's MOI and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in the special resolution.

In terms of the JSE Listings Requirements, any general repurchase by the Company must, inter alia, be limited to a maximum of 20% of the Company's issued share capital in any one financial year of that class at the time the authority is granted. Furthermore, in terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a Company. For the avoidance of doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

Additional information relating to special resolution number 2

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 2 to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of the Company and its subsidiaries ("the Group") would not be compromised as to the following:

    - the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the purchase;
    - the consolidated assets of the Group will, at the time of the AGM and at the time of making such determination, be in excess of the consolidated liabilities of the Group and for 12 months thereafter. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
    - the ordinary share capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the AGM and after the date of the share repurchase; and
    - the working capital available to the Group after the repurchase will be sufficient for the Group's requirements for a period of 12 months after the purchase.

2. Prior to commencing any repurchase, the Board shall take a resolution confirming that it has authorised the repurchase, that the Group has passed the solvency and liquidity test and that, since it was performed, there have been no material changes to the financial position of the Group.
3. General information in respect of major shareholders and the share capital of the Company is contained on pages 28 and 29 of this notice. There has been no material change in the financial or trading position of the Company and its subsidiaries subsequent to the publication of the Company's audited financial statements for the year ended 30 September 2017.
4. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of AGM contains all information required by the JSE Listings Requirements.

10. Special resolution number 3

General authority to provide financial assistance to related and inter-related companies and corporations

"Resolved that the Board be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 3), to authorise the Company to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the Board may deem fit to any related or inter-related company or corporation of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the Board may determine."

The main purpose for this authority is to grant the Board the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Company and its Group. The Board undertakes that –

- it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –
  - immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- written notice of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees –
  - within 10 business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous financial assistance during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

Reason for special resolution number 3

The reason for special resolution number 3 is to provide a general authority to the Board of the Company for the Company to grant direct or indirect financial assistance to any company forming part of the Company's Group, including in the form of loans or the guaranteeing of their debts.

Notice to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the Board authorising the Company to provide direct or indirect financial assistance to related and inter-related companies and corporations

By the time this notice of AGM is delivered to shareholders, the Board will have adopted a resolution ("Section 45 Board Resolution") authorising the Company to provide, at any time and from time to time during the period commencing on the date on which special resolution number 3 is adopted until the date of the next annual general meeting of the Company, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company. The financial assistance will entail loans and other financial assistance to subsidiaries of the Company (being related or inter-related companies or corporations of the Company) for purposes of funding the activities of the Company and its Group.

The Section 45 Board Resolution will be effective only if and to the extent that special resolution number 3 is adopted by the shareholders and the provision of any such financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

In as much as the Section 45 Board Resolution contemplates that such financial assistance will, in the aggregate, exceed one-tenth of one per cent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders. The Company does not have any employees represented by a trade union.

11. Special resolution number 4

General authority to provide financial assistance for the subscription of or acquisition of securities (as defined below) in the Company and in related and inter-related companies

"Resolved that the Board be and is hereby authorised in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 4), to authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), or for the purchase of any securities of the Company or a related or inter-related company, on the terms and conditions and for the amounts that the Board may determine."

The main purpose for this authority is to grant the Board the authority to provide financial assistance to any person for the subscription or the purchase of any securities in the Company or a related or inter-related company.

The Board undertakes that –

- it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –
  - immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company or a related or inter-related company.

Reason for special resolution number 4

The reason for special resolution number 4 is to provide a general authority to the Board of the Company for the Company to grant financial assistance to any person by way of a loan, guarantee, the provision of security or otherwise, for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the Company or related or inter-related company or for the purchase of any security of the Company or a related or inter-related company.

12. To transact any other business that may be transacted at an AGM of the Company

RECORD DATES

The record date in terms of section 59 of the Companies Act for shareholders to be recorded in the securities register of the Company in order to receive notice of the AGM is Friday, 19 January 2018.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded in the securities register of the Company in order to be able to attend, participate and vote at the AGM is Friday, 16 February 2018, with the last day to trade being Tuesday, 13 February 2018.

APPROVALS REQUIRED FOR ORDINARY AND SPECIAL RESOLUTIONS

Ordinary resolutions numbers 1 to 6 contained in this notice of AGM require approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM, subject to the provisions of the Companies Act, the MOI of the Company and the JSE Listings Requirements.

Ordinary resolutions numbers 7 and 8 require approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM, subject to the provisions of the Companies Act, the MOI of the Company and the JSE Listings Requirements, and will trigger additional measures outlined in the remuneration policy set out in Annexure 5 to this notice of AGM should they each be voted against by 25% or more of the shareholders exercising a vote on the resolutions.

Ordinary resolution number 9 and special resolutions numbers 1 to 4 contained in this notice of AGM require approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM, subject to the provisions of the Companies Act, the MOI of the Company and the JSE Listings Requirements.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their shares, or who have dematerialised their shares with "own name" registration, are entitled to attend and vote at the AGM and are entitled to appoint a proxy or proxies (for which purpose a proxy form is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the Company. Proxy forms must be lodged with the transfer secretaries of the Company, being Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Sandton, 2196, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them by no later than Wednesday, 21 February 2018, at 09:00 (South African time), provided that any proxy form not delivered to the transfer secretaries by this time may be handed to the chairman of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.

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

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

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

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder shall be entitled to the number of votes determined in accordance with the voting rights associated with the shares held in the Company.

PROOF OF IDENTIFICATION REQUIRED

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

By order of the Board

Ntokozo Makomba
Company Secretary

Quantum Foods Holdings Ltd
24 January 2018

ANNEXURE 1

QUANTUM FOODS HOLDINGS LTD

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2017

COMMENTARY

INTRODUCTION

The past financial year was dominated by two factors that influenced the poultry and egg industries. The first factor was high summer rainfall, which resulted in the harvest of record level maize crops and a significant reduction in feed prices in the second half of the year. The second factor was the outbreak of highly pathogenic Avian Influenza ("AI") in South Africa, which occurred in the latter part of the year. This devastating outbreak resulted in large numbers of chickens being culled, and a subsequent reduction in the supply of poultry products in South Africa.

In South Africa, per capita income remains under pressure. This does not bode well for growth in protein consumption. In addition to the above, there was a natural decline in production in the egg industry, with fewer hens being placed in prior years. This was due to margin contraction as a result of higher feed costs, as well as the challenging effects of poultry disease that negatively impacted production efficiencies in layer hens. The decline in egg production was exacerbated by the AI outbreak in Mpumalanga and Gauteng during June, and the subsequent spread of the disease to the Western Cape in August.

OPERATIONAL OVERVIEW

The main cost drivers that impact Quantum Foods' operations are maize and soybean meal prices. Maize prices were elevated during the first half of 2017 but declined sharply following the record harvest. South African Futures Exchange ("SAFEX") maize prices declined by 27% year-on-year. Soybean meal prices declined by 7%. This was driven by a strengthening rand. The prices of all other major raw materials used in animal feed production declined in line with maize and soybean meal.

The Nova Feeds business again produced a good performance. External sales volumes grew by 14%, driven by the inclusion of the Olifantskop mill for the full year, as well as good growth from the current footprint. This exceptional performance by the Nova Feeds' team was achieved in a declining market and without margin sacrifice. Nova Feeds remains critical to the future success of Quantum Foods.

The broiler farming business delivered a solid performance in its first full year as a pure livestock business. The Group's grandparent and parent breeder operations achieved the best results of all Cobb customers who use Cobb500 genetics in the Africa, Europe and Middle East region. This was a world-class performance. Excellent production efficiencies were also achieved at commercial broiler level, especially in the Group's Western Cape operations. Commercial broiler performances in the Group's northern operations continued to improve and, for the first time, exceeded the set breed standards.

Efficiency improvements in the layer farming business continued. At breeder level, performance exceeded the Lohmann breed standard. At commercial layer level, performance improved by 4% year-on-year.

Unfortunately, two of the Group's Western Cape commercial layer farms were affected by the AI outbreak in September. This resulted in the loss of approximately 570 000 chickens. A further outbreak was experienced at a rearing farm in September, resulting in the culling of approximately 149 000 point-of-lay hens. The majority of chickens were culled to prevent any further spread of the disease. To mitigate the impact on the production capacity of the egg business, a dormant farm in Gauteng will be brought back into production in the first quarter of 2018. Additional capacity has also been created at previously dormant layer houses on a Western Cape farm. This facility will be brought back into production during the first half of 2018. The Opdiefontein farm in Gauteng, which was largely out of production during the previous year due to a biosecurity upgrade, will be fully placed from the second quarter of 2018. This farm should supply more eggs in the next financial year.

During the year, a layer breeder farm and hatchery in the Western Cape was converted to a broiler breeder and hatchery facility. This enabled the consolidation and improved utilisation of the Group's layer hatchery in Gauteng. It will further support the Group's ability to supply increased volumes to the broiler market in South Africa.

We terminated a rental agreement for a layer rearing farm near Ventersdorp during the year. This decision was made as the Group was not able to extract the expected benefit of an additional 13% in point-of-lay rearing capacity from this facility.

The egg business experienced a difficult start to the year; however, the turnaround in the second half of the year was significant. This improvement was driven by the lower cost of feed, as well as a constrained supply of eggs into the market due to the natural egg cycle. The outbreak of AI had a limited impact on egg prices. It is, however, expected that this outbreak will compound the already constrained supply in the next six to 12 months, resulting in higher egg prices. In terms of operational efficiencies, the egg business showed a strong improvement. Certain operational targets, such as the management of product mix, were reached earlier than anticipated. The grading machine at the Group's Brackenfell packing station was replaced, and the Safe Eggs egg pasteurisation facility was incorporated into the Sova packing station in Gauteng. This supported improved operational efficiency.

The Group's other African businesses followed a similar trend, with performance across countries picking up in the second half of the year. Disappointingly, high raw material prices in all three countries could not be recovered in final product selling prices.

In Mozambique, extreme weather conditions resulted in 28% of the layer flock being lost in the first quarter of 2017. The business was subsequently restructured and downscaled, and capital was deployed to upgrade the chicken houses to ensure that flocks are better protected from harsh conditions going forward.

The Uganda business started to recover in the second part of the year due to lower raw material prices and an improved focus on efficiencies.

The Zambian business was well managed and remained profitable throughout the year. This was achieved despite many economic and industry challenges.

Following the completion of expansion projects, increased egg production was successfully integrated into the supply chain and sales channels of the Ugandan and Zambian businesses. In both of these countries, a substantial portion of eggs were sold from small depots that were established during the year. These depots were established to improve access to markets and to sell directly to consumers.

FINANCIAL OVERVIEW

Group revenue increased by 4% to R4 052 million, with an increase of R95 million (2.5%) in the South African operations and an increase of R44 million (27.4%) in other African operations.

Revenue from other African operations contributed 5.0% of Group revenue for 2017 (2016: 4.1%).

Revenue from South African operations:

- Increased by R64 million (4.5%) for the feed segment, despite average selling prices declining by 6.7% as a result of lower average raw material costs. Volumes sold increased by 14%, with 7% growth attributable to the Olifantskop feed mill (acquired in February 2016) being operational for the full year.
- Decreased by R16 million (1.2%) for the farming segment. Similar to the feed segment, reduced selling prices were due to lower average feed costs used in determining selling prices.
- Increased by R46 million (4.6%) for the eggs segment. An average price increase of 7.5% was achieved.

Revenue from the other African businesses increased. This was due to the full-year inclusion of the Galovos egg business in Mozambique (acquired in September 2016), as well as increased egg volumes sold from the Mega Eggs farm in Zambia and the Masindi egg farm in Uganda, following the completion of expansion projects in 2016.

Cost of sales increased by 1% to R3 258 million. Cost of sales include the biological assets (livestock) and agricultural produce (eggs) fair value adjustments that were realised and included in other gains and losses in the statement of comprehensive income.

These fair value adjustments for the year ended 30 September 2017 amounted to R165 million (2016: R145 million). Gross profit, excluding these fair value adjustments, increased by R125 million to R959 million at a margin of 23.7% (2016: 21.3%).

Cash operating expenses increased by 14% in 2017. Inflationary cost increases, as well as the cost of additional business units incorporated into the Group, contributed to the increase in cash operating expenses. These additional business units include the Olifantskop feed mill, as well as the acquisition and expansions in the rest of Africa. It further includes increased operational costs due to increased production on Western Cape broiler farms following the exit of certain contract producers during the year.

Operating profit, before items of a capital nature, increased by 67% to a profit of R149 million. The South African operations recorded an increase of R65 million (61%) to a profit of R172 million, at a margin of 4.5% (2016: 2.8%). Eggs and Feeds improved by R73 million and R5 million respectively, while Farming weakened by R14 million to report a profit of R47 million. The result for Farming includes the culling and associated clean-up cost of R30 million following the outbreak of AI in the Group's Western Cape layer operations. The other African operations recorded a decline in profits of R9 million, resulting in a loss of R10 million.

Headline earnings per share ("HEPS") increased to 49.0 cents, from 28.2 cents per share in 2016.

Cash inflow from operations amounted to R257.7 million. This includes a reduced investment in working capital of R115.2 million.

Capital expenditure amounted to R73 million. This expenditure included the replacement of a grading machine at an egg packing station, the expansion of capacity at the Olifantskop feed mill, the biosecurity upgrade at the Opdiefontein layer farm in Gauteng, as well as the upgrade of the Zambia hatchery.

Cash and cash equivalents increased from R79.5 million at 30 September 2016 to R261.5 million at 30 September 2017.

The Group had minimal borrowings at 30 September 2017, comprising an arrangement to purchase electricity generated from solar panels capitalised as a finance lease in terms of IFRS.

DIVIDEND AND SHARE REPURCHASE

The Group declared dividends at a HEPS cover of approximately five times in the first two years that followed it's listing on the JSE. Following the adjustments made to the business model, and in light of the resilience shown by the Group in response to challenging operating conditions in 2016 and in the first half of 2017, the Board is comfortable to reduce the HEPS cover for dividends to approximately four times. In its declaration of a total dividend of 34 cents per share, the Board further considered the cash generated by, as well as the healthy cash position of, the Group at 30 September 2017.

Dividend at a HEPS cover of 4.1 times	12 cents
Special dividend due to 2017 cash generation	22 cents
Total dividend	34 cents

During 2017, Quantum Foods bought back and cancelled 9 488 659 shares at an average price of R3.03 per share. Including the dividend of 34 cents per share, this results in a total amount of R104.3 million returned to shareholders.

The Board intends to continue with the repurchase of shares.

Last date of trading cum dividend	Tuesday, 6 February 2018
Trading ex dividend commences	Wednesday, 7 February 2018
Record date	Friday, 9 February 2018
Dividend payable	Monday, 12 February 2018

Share certificates may not be dematerialised or materialised between Wednesday, 7 February 2018 and Friday, 9 February 2018, both days inclusive.

PROSPECTS

The record maize crop harvested in South Africa in 2017 should result in a large carry over of maize stock into the next season. Even with average summer rainfall in maize producing areas, the Group should experience relatively low maize prices in 2018. Globally, maize and soybean stocks remain sufficient. These factors should ensure that the main input costs into Quantum Foods' business remain reasonable.

There are other factors, however, that are uncertain and that could have a significant impact on Quantum Foods in the year ahead.

Firstly, should the rand weaken against the US dollar, it would result in higher maize and soybean prices. This would result in increased input costs.

Secondly, any further impact of AI would have a devastating effect on the South African poultry industry. The geographical spread of Quantum Foods' farms will reduce the potential impact. However, the Group has a number of large facilities that would be severely negatively affected by an outbreak of AI. All reasonable possible measures are being taken to protect the Quantum Foods' farms against AI. The Group continues to work in partnership with the South African Poultry Association and government to ensure the sustainability of the industry, either through vaccination, or through compensation for loss of chickens.

Thirdly, due to the continued drought, the water supply to the Group's Western Cape operations is exposed to the risk of disruption. Actions taken to mitigate this risk include drilling for boreholes, as well as planning for an emergency supply of water to the farms most at risk.

By order of the Board.

WA Hanekom
Chairman

HA Lourens
Chief Executive Officer

22 November 2017

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

To the Shareholders of Quantum Foods Holdings Limited

Opinion

The summary consolidated financial statements of Quantum Foods Holdings Limited, set out on pages 19 to 27 of the notice of AGM, which comprise the summary consolidated statement of financial position as at 30 September 2017, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Quantum Foods Holdings Limited for the year ended 30 September 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

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

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 November 2017. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: DG Malan
Registered Auditor
Paarl

22 November 2017

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2017

	2017 R'000	2016 R'000
Assets		
Non-current assets	1 076 838	1 071 729
Property, plant and equipment	1 051 259	1 048 280
Intangible assets	13 304	15 559
Investment in associate	8 083	6 988
Deferred income tax	4 192	902
Current assets	1 177 817	1 194 300
Inventories	201 789	307 424
Biological assets	299 345	323 950
Trade and other receivables	411 395	481 480
Derivative financial instruments	1 876	–
Current income tax	1 943	1 935
Cash and cash equivalents	261 469	79 511
Total assets	2 254 655	2 266 029
Equity and liabilities		
Capital and reserves attributable to owners of the parent	1 691 645	1 596 148
Share capital	1 552 670	1 581 402
Other reserves	(200 991)	(211 432)
Retained earnings	339 966	226 178
Total equity	1 691 645	1 596 148
Non-current liabilities	237 034	242 372
Interest-bearing liability	6 227	6 318
Deferred income tax	223 199	228 878
Provisions for other liabilities and charges	7 608	7 176
Current liabilities	325 976	427 509
Trade and other payables	321 549	417 172
Derivative financial instruments	–	4 224
Current income tax	4 336	6 029
Interest-bearing liability	91	84
Total liabilities	563 010	669 881
Total equity and liabilities	2 254 655	2 266 029

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2017

	Notes	2017 R'000	2016 R'000
Revenue		4 051 890	3 913 078
Cost of sales		(3 257 803)	(3 224 202)
Gross profit		794 087	688 876
Other income		19 775	16 603
Other gains/(losses) – net	3	199 910	155 800
Sales and distribution costs		(215 953)	(194 904)
Marketing costs		(12 056)	(12 087)
Administrative expenses		(108 643)	(98 972)
Other operating expenses		(507 005)	(431 042)
Operating profit		170 115	124 274
Investment income		8 066	7 736
Finance costs		(1 665)	(922)
Share of profit of associate company		1 095	257
Profit before income tax		177 611	131 345
Income tax expense		(49 994)	(39 991)
Profit for the year		127 617	91 354
Other comprehensive income for the year			
Items that may subsequently be reclassified to profit or loss:			
Fair value adjustments to cash flow hedging reserve		4 039	(2 283)
For the year		(12 096)	4 737
Deferred income tax effect		(568)	47
Current income tax effect		3 955	(1 374)
Realised to profit or loss		17 706	(7 907)
Deferred income tax effect		(47)	–
Current income tax effect		(4 911)	2 214
Movement on foreign currency translation reserve			
Currency translation differences		2 340	25 026
Total comprehensive income for the year		133 996	114 097
Profit for the year attributable to owners of the parent		127 617	91 354
Total comprehensive income for the year attributable to owners of the parent		133 996	114 097
Basic and diluted earnings per ordinary share (cents)	4	56	39

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2017

	2017 R'000	2016 R'000
Share capital	1 552 670	1 581 402
Opening balance	1 581 402	1 585 386
Shares repurchased and cancelled	(28 732)	(3 984)
Other reserves	(200 991)	(211 432)
Opening balance	(211 432)	(228 968)
Other comprehensive income for the year	6 379	22 743
Recognition of share-based payments	4 062	2 492
Adjustment to common control reserve	–	(7 699)
Retained earnings	339 966	226 178
Opening balance	226 178	158 149
Profit for the year	127 617	91 354
Dividends paid	(13 829)	(23 325)
Total equity	1 691 645	1 596 148

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2017

	2017 R'000	2016 R'000
Net cash flow from operating activities	**257 688**	(42 061)
Net cash profit from operating activities	**200 373**	164 250
Working capital changes	**115 232**	(173 622)
Cash effect of hedging activities	**3 413**	(3 002)
Net cash generated from/(utilised in) operations	**319 018**	(12 374)
Income tax paid	**(61 330)**	(29 687)
Net cash flow from investing activities	**(32 745)**	(48 762)
Additions to property, plant and equipment	**(72 227)**	(98 759)
Additions to intangible assets	**(812)**	–
Proceeds on disposal of property, plant and equipment	**32 228**	122 080
Business combinations	**–**	(79 819)
Interest received	**8 066**	7 736
Net cash surplus/(deficit)	**224 943**	(90 823)
Net cash flow from financing activities	**(43 709)**	(27 668)
Repayment of interest-bearing liability	**(84)**	(46)
Shares repurchased	**(28 732)**	(3 984)
Interest paid	**(1 073)**	(371)
Dividends paid to ordinary shareholders	**(13 820)**	(23 267)
Net increase/(decrease) in cash and cash equivalents	**181 234**	(118 491)
Effects of exchange rate changes	**724**	10 499
Net cash and cash equivalents at beginning of year	**79 511**	187 503
Net cash and cash equivalents at end of year	**261 469**	79 511

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2017

SEGMENT INFORMATION	2017 R'000	2016 R'000
Segment revenue	4 051 890	3 913 078
Eggs	1 051 375	1 005 221
Farming	1 310 907	1 326 746
Animal feeds	1 485 255	1 420 758
Other African countries	204 353	160 353
Segment results – excluding items of a capital nature	149 496	89 327
Eggs	46 460	(26 881)
Farming	47 285	61 022
Animal feeds	77 786	72 532
Other African countries	(9 655)	(234)
Head office costs	(12 380)	(17 112)
Items of a capital nature per segment included in other gains/(losses) – net		
Profit/(loss) on disposal of property, plant and equipment before income tax	20 619	34 947
Eggs	(1 457)	291
Farming	18 422	35 297
Animal feeds	3 441	(641)
Other African countries	213	–
Segment results	170 115	124 274
Eggs	45 003	(26 590)
Farming	65 707	96 319
Animal feeds	81 227	71 891
Other African countries	(9 442)	(234)
Head office costs	(12 380)	(17 112)
A reconciliation of the segment results to operating profit before income tax is provided below:		
Segment results	170 115	124 274
Adjusted for:		
Investment income	8 066	7 736
Finance costs	(1 665)	(922)
Share of profit of associate company	1 095	257
Profit before income tax per statement of comprehensive income	177 611	131 345

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 30 September 2017

1. BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

2. ACCOUNTING POLICIES

These summary consolidated financial statements incorporate accounting policies that are consistent with those applied in the Group's consolidated financial statements for the year ended 30 September 2017 and with those of previous financial years, except for the adoption of the following amendments to the published standards that became effective for the current reporting period beginning on 1 October 2016:
– Amendments to IAS 1 – Presentation of Financial Statements

The adoption of these amendments to the standard did not have any material impact on the Group's results and cash flows for the year ended 30 September 2017 and the financial position at 30 September 2017.

	2017 R'000	2016 R'000
3. OTHER GAINS/(LOSSES) – NET		
Biological assets fair value adjustment	40 810	50 293
Unrealised – reflected in carrying amount of biological assets	17 425	(7 303)
Realised – reflected in cost of goods sold	23 385	57 596
Agricultural produce fair value adjustment	143 754	86 475
Unrealised – reflected in carrying amount of inventory	2 325	(1 012)
Realised – reflected in cost of goods sold	141 429	87 487
Foreign exchange differences	1 891	(6 212)
Foreign exchange contract fair value adjustments	(3 563)	(9 291)
Foreign exchange contract cash flow hedging ineffective losses	(3 601)	(412)
Profit on disposal of property, plant and equipment	20 619	34 947
	199 910	155 800

	2017 R'000	2016 R'000
4. EARNINGS PER ORDINARY SHARE		
Basic and diluted		
The calculation of basic and diluted earnings per share is based on profit for the period attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year:		
Profit for the year	127 617	91 354
Headline earnings are calculated in accordance with Circular 2/2015 issued by the South African Institute of Chartered Accountants.		
The Group has no dilutive potential ordinary shares.		
Reconciliation between profit for the period attributable to owners of the parent and headline earnings		
Profit for the year	127 617	91 354
Remeasurement of items of a capital nature		
Profit on disposal of property, plant and equipment	(15 314)	(25 516)
Gross	(20 619)	(34 947)
Tax effect	5 305	9 431
Headline earnings for the year	112 303	65 838
Weighted average number of ordinary shares in issue ('000)	229 124	233 128
Earnings per share (cents)		
Basic and diluted	56	39
Headline earnings per share (cents)		
Basic and diluted	49	28

		2017 R'000	2016 R'000
5.	**CONTINGENT LIABILITIES**		
	Guarantees in terms of loans by third parties to contracted service providers	24 355	28 872

Litigation

Customer claim

The Group received a summons in the previous reporting period in respect of a claim for performance of day-old pullets delivered to the customer. The matter will be defended in the High Court.

Management is of the view, based on legal advice regarding the merits of the claim against the Group, that the Group will not incur any material liability in this respect.

Allegations of anti-competitive trade practices – Zambia

The Group received a notice of investigation in the previous reporting period from the Zambian Competition and Consumer Protection Commission regarding alleged breach of the Competition and Consumer Protection Act. The investigation is currently still underway and no final report has been received.

Management is of the view that the Group will not incur any material liability in this regard.

6. FUTURE CAPITAL COMMITMENTS

Capital expenditure approved by the Board and contracted for amounts to R23.9 million (2016: R12.8 million). Capital expenditure approved by the Board, but not yet contracted for, amounts to R42.5 million (2016: R156.6 million).

7. EVENTS AFTER THE REPORTING PERIOD

Dividend

A final dividend of 34 cents per ordinary share has been declared and approved for the year ended 30 September 2017, on 22 November 2017. This will only be reflected in the statement of changes in equity in the next reporting period.

Additional information disclosed:

These dividends are declared from income reserves and qualify as a dividend as defined in the Income Tax Act, Act 58 of 1962.

Dividends will be paid net of dividends tax of 20%, to be withheld and paid to the South African Revenue Service by the Company. Such tax must be withheld unless beneficial owners of the dividend have provided the necessary documentary proof to the relevant regulated intermediary that they are exempt therefrom, or entitled to a reduced rate as result of the double taxation agreement between South Africa and the country of domicile of such owner.

The net dividend amounts to 27.2 cents per ordinary share for shareholders liable to pay dividends tax. The dividend amounts to 34.0 cents per ordinary share for shareholders exempt from paying dividends tax.

The number of issued ordinary shares is 222 314 657 as at the date of this declaration.

There have been no other events that may have a material effect on the Group that occurred after the end of the reporting period and up to the date of approval of the summary consolidated financial statements by the Board.

8. PREPARATION OF FINANCIAL STATEMENTS

The summary consolidated financial statements have been prepared under the supervision of AH Muller, CA(SA), Chief Financial Officer.

9. AUDIT

The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

The Group's auditors have not reviewed nor reported on any of the comments relating to prospects.

ANNEXURE 2

SHAREHOLDER ANALYSIS

Category	Number of ordinary shareholders	% of shareholders	Number of ordinary shares	% of total ordinary shares
Ordinary shares				
Individuals	3 785	82.9	33 280 512	15.0
Nominees and trusts	379	8.3	10 735 987	4.8
Investment companies and corporate bodies	403	8.8	178 298 158	80.2
	4 567	100.0	222 314 657	100.0
Non-public/public shareholders				
Pursuant to the JSE Listings Requirements and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at 30 September 2017, is as follows:				
Public shareholding				
Major shareholding				
Allan Gray (on behalf of clients)*	1	0.0	33 310 172	15.0
Coronation (on behalf of clients)*	1	0.0	13 268 869	6.0
Other shareholders	4 559	99.9	106 025 253	47.7
Non-public shareholding				
Major shareholding				
Zeder Investments Ltd*	1	0.0	61 620 084	27.7
Other shareholders				
Directors	5	0.1	8 090 279	3.6
	4 567	100.0	222 314 657	100.0

* *Shareholders with a beneficial interest above 5%.*

Category	Number of ordinary shareholders	% of shareholders	Number of ordinary shares	% of total ordinary shares
Distribution of ordinary shareholders				
Number of shares				
1 – 1 000 shares	2 287	50.1	654 758	0.3
1 001 – 10 000 shares	1 369	29.9	5 428 655	2.5
10 001 – 100 000 shares	722	15.8	23 650 287	10.6
100 001 – 1 000 000 shares	154	3.4	41 826 784	18.8
1 000 001 shares and over	35	0.8	150 754 173	67.8
	4 567	100.0	222 314 657	100.0

ANNEXURE 3

DIRECTORS UP FOR RE-ELECTION

Norman Celliers (44)
Non-executive director
Norman was appointed to the Board on 10 June 2014.

Qualifications:
BEng (Civil), MBA

Quantum Foods' Board and committee membership:
Non-executive director, remuneration and human capital

Norman is the chief executive officer of Zeder Investments Ltd. His professional experience includes engineering, management consulting and private equity in South Africa and abroad.

Geoffrey George Fortuin (50)
Independent non-executive director
Geoff was appointed to the Board on 28 April 2015.

Qualifications:
BCom (Acc), BCom (Acc) (Hons), CA(SA)

Quantum Foods Board and committee membership:
Non-executive director, audit and risk

Geoff is currently the Financial Director of Brimstone Investment Corporation Ltd. He is a qualified chartered accountant and practised as a Partner at Deloitte & Touche for 15 years during which time he was responsible for a number of South African listed companies. He was also a member of the Deloitte South Africa Board.

ANNEXURE 4

MEMBERS OF THE AUDIT AND RISK COMMITTEE

Current and re-appointment:

Patrick Ernest Burton (64)
Lead independent non-executive director
Patrick was appointed to the Board on 29 July 2014.

Qualifications:
BCom (Hons) Financial Management, HDip in Tax Law

Quantum Foods Board and committee membership:
Non-executive director, audit and risk (chairman), remuneration and human capital (chairman)

Patrick is an experienced businessman with experience as a director which includes non-executive positions in fishing, food, insurance, financial services and investment holding companies. Patrick sits on the board of directors of various listed and unlisted companies.

Prof. Abdus Salam Mohammad Karaan (49)
Independent non-executive director
Mohammad was appointed to the Board on 10 June 2014.

Qualifications:
BSc Agric, BSc Agric (Hons), MSc Agric, PhD (Agric)

Quantum Foods Board and committee membership:
Non-executive director, audit and risk, social and ethics (chairman)

Mohammad joined the Development Bank of Southern Africa in Johannesburg as an economist and later returned to Stellenbosch to join the Rural Foundation as head of research. In 1997, he joined Stellenbosch University as a lecturer in the Agricultural Faculty. In October 2008, he became dean of the Faculty of AgriSciences at Stellenbosch University. He serves on various boards.

Geoffrey George Fortuin (50)
Independent non-executive director
Geoff was appointed to the Board on 28 April 2015.

Qualifications:
BCom (Acc), BCom (Acc) (Hons), CA(SA)

Quantum Foods Board and committee membership:
Non-executive director, audit and risk

Geoff is currently the Financial Director of Brimstone Investment Corporation Ltd. He is a qualified chartered accountant and practised as a Partner at Deloitte & Touche for 15 years during which time he was responsible for a number of South African listed companies. He was also a member of the Deloitte South Africa Board.

ANNEXURE 5

REMUNERATION REPORT

Remuneration policy

This remuneration policy is a summary, and should be read in conjunction with the full remuneration report, as set out in the 2017 integrated report and the full remuneration policy that is available online at www.quantumfoods.co.za/company-documents.

Remuneration governance

The remuneration and human capital committee ("RHCC") is constituted as a committee of the Board, and is responsible for the Group's remuneration policy. The RHCC consists of three non-executive directors ("NEDs"), the majority of who are independent. The RHCC is chaired by an independent NED.

The duties and responsibilities of the RHCC primarily revolve around the organisation-wide remuneration policy, as well as monitoring the effectiveness of management and succession planning. The detailed list of the RHCC's duties and responsibilities are set out in its committee charter. These should be read together with the remuneration policy.

The charter is available online at www.quantumfoods.co.za/company-documents.

At a minimum, the RHCC meets twice in every financial year. Selected individuals may also attend these meetings by invitation from the RHCC.

Remuneration philosophy and fair and responsible remuneration

Quantum Foods' remuneration framework supports the delivery of the Company's business strategy. The RHCC's remuneration approach combines talent development, career growth opportunities, recognition of performance, and a corporate culture driven by performance and value creation. The remuneration philosophy is determined on an organisation-wide basis.

Quantum Foods aims to ensure that its remuneration policy (as part of its employee value proposition) is competitive enough to make it an employer of choice. Quantum Foods rewards individual, team and business performance, and encourages superior performance across the Group.

Fair and responsible remuneration

The RHCC observes the principle of fair and responsible remuneration. The RHCC continuously examines innovative methods to ensure that remuneration paid to executive directors is in line with the market, and that it is justifiable in the context of overall employee remuneration.

In line with the provisions of the Employment Equity Act, Act 55 of 1998, as amended ("Employment Equity Act"), the RHCC oversees the results of the Company's TASK and ExecEval grading system. This system enables the RHCC to evaluate whether an employee's remuneration is in line with his or her peers within the same job category to identify and correct any unjustifiable differentials. This supports the principle of equal pay for work of equal value espoused in the Employment Equity Act.

Quantum Foods has a human resources strategy that supports career progression and the development of upcoming talent. Through its talent development programme (in partnership with certain institutions of higher education), students studying for qualifications in animal production participate in the Group's internship programme. Many of these students have been retained and placed in the Company's career pathing programme.

Remuneration framework

The remuneration framework consists of total guaranteed package ("TGP") benefits and, depending on an employee's job category and seniority, variable remuneration. Profitability and efficient business processes are the key Group performance indicators for reward. Individual performance indicators are determined according to the key measurable areas which contribute to overall Group performance and strategy execution.

The different components of remuneration, their link to Quantum Foods' business strategy, and their positive outcomes within the economic, social and environmental context within which the Group operates, are summarised in the table below:

Component and positive outcome	Policy and link to business strategy
TGP (fixed; applicable to all employees) Social – ensuring the necessary skills to drive a high-performance culture	Aimed at attracting and retaining talent and ensuring competitiveness. Quantum Foods participates in reputable South African salary surveys, and benchmarks total remuneration packages against the market value applicable to various job categories on a biannual basis. The surveys and benchmarks that are used include PwC's REMChannel® Survey. The RHCC is satisfied that these surveys and benchmarks are appropriate in the context of Quantum Foods and its business. Internal salary positioning is based on factors that include work experience, competence, performance, internal historical factors, and market influences. TGP is generally referenced to the job family market median. Collective bargaining agreements for unionised employees are negotiated annually. The average salary for each job category is reviewed annually, bearing in mind the affordability restraints of the Company.

Component and positive outcome	Policy and link to business strategy
Benefits (fixed) Social – allowing employees the flexibility of structuring according to individual requirements	Benefits form part of TGP and include medical aid, retirement fund contributions, disability and life insurance, as well as additional benefits such as travel and cell phone allowances. Contributions are made according to statutory requirements and fund-specific rules. Employees receive a long-service bonus equal to one month's TGP for every completed 10 years of service. Employees receive a 13th cheque, as part of their TGP. They can either elect to receive the 13th cheque on a once-off basis in December of every year, or have it paid to them in equal instalments over a 12-month period.
STIs (variable) Economic – drives sound farming production efficiency that assist the Group's ability to recover rising input costs and improve returns on the asset base. This enables the creation of shareholder value	The STI constitutes a performance bonus. This bonus is designed to motivate and reward management for its contribution to the achievement of targets related to main business drivers, ultimately increasing shareholder value. Performance conditions: • Growth in headline earnings before tax per share ("HEBTPS") – the growth calculation is based on an audited and agreed comparative base for the previous financial year. • Growth in economic profit ("EP") – the growth calculation is based on the weighted average cost of capital over a rolling three-year period, applied to the average net asset base of the Group. • Farming production efficiency – the efficiency calculation is based on targets set for feed conversion ratios and egg production efficiency. Feed conversion ratios are calculated as the amount of feed (in kilograms) used to produce either one dozen eggs for layer chickens, or one kilogram of meat for broiler chickens. Egg production efficiency is measured as the number of eggs produced per layer hen at the start of a laying cycle.

Component and positive outcome	Policy and link to business strategy
LTIs (variable) Economic – drives share price growth and, by extension, the creation of shareholder value	The LTI consists of an equity settled Share Appreciation Right ("SAR") scheme designed to attract and retain talent over the long term, as well as align the interests of employees with that of shareholders. 50% of the SAR award, is subject to performance conditions (set out below). The remaining 50% is subject to continued employment. Performance condition: • Growth in Group headline earnings per share ("HEPS") – the hurdle for vesting is compound annual growth rate ("CAGR") in HEPS equal to the consumer price index ("CPI"), plus 1% growth with full vesting at CPI plus 5% growth. The Board can increase the baseline HEPS for an allocation to ensure that the target for the vesting of this component is fair and reasonable to both shareholders and participants.

Pay mix

The pay mix for senior executives comprises a combination of TGP and variable pay. A sufficient portion of the pay mix is "at risk" in order to incentivise executives to meet financial performance targets and realise the Company's business strategy. The STI portion drives the achievement of share price growth over the short term, while the LTI portion incentivises long-term share price growth and alignment with shareholders. At lower levels, the on-target pay mix is weighted towards guaranteed pay.

TGP

The TGP and benefits offered by Quantum Foods are summarised in the remuneration framework above. Several employees fall within collective bargaining units. Therefore, their remuneration is determined outside the remuneration policy and is subject to the applicable collective bargaining agreement. All South African employees participate in a Group-wide retirement scheme and a voluntary medical aid scheme.

Annual reviews and TGP increases

Annual reviews of TGP take into account inflation, current market conditions, an employee's financial and non-financial individual performance against preset goals, as well as the performance of the Group. Increases are limited to an approved budget, and executive increases are considered within the context of average increases for employees throughout the Group. Employees whose individual performance falls below an acceptable standard will not be eligible for an increase. This is determined through the Company's performance management process.

STIs

Based on business and individual performance, executives and selected senior managers may participate in the STI scheme (as summarised above in the remuneration framework). A maximum bonus pool is calculated annually to govern the total amount of the STIs payable to participants. The bonus pool for the HEBTPS and EP components is self-funding, and the achievement of growth targets is calculated after taking the bonus pool into account. The portion of the bonus dependent on farming production efficiency targets, however, is not dependent on the achievement of growth targets for HEBTPS.

Earning potential for STI

The table below sets out the earning potentials (as a % of TGP) of employees:

Position	Earning potential for STI (as % of TGP)
CEO	100
CFO and executives	75
Senior management	15 or 35

Senior management with African country, national, or significant regional responsibility have an STI earning potential of 35% of TGP. Other senior management reporting directly to the executive team have an STI earning potential of 15% of TGP.

The maximum payment is determined by the bonus pool cap. The bonus pool cap is calculated based on the participant's cost to Company, as well as maximum earning potential, depending on the participant's level. The STI scheme is based on three performance measures that are applicable to all eligible employees for the 2018 financial year, as set out in the table below:

Performance measure	Weighting	On-target performance	Stretch performance
Growth in the Group's HEBTPS	50%	10% growth*	25% growth*
Growth in the Group's EP	25%	25% of the three-year rolling average improvement in EP is included in the bonus pool.	
Achievement of farming production efficiency targets	25%	Tied to feed conversion rates and breed standards for table egg production	

* *Targets for 2018. At performance of 10% HEBTPS growth or lower, the bonus will be nil.*

Forward-looking changes to STI performance measures

The RHCC adjusted the weighting of the performance measures of the STI for 2018 and also changed the target for Growth in headline earnings before tax to a measurement of Growth in headline earnings before tax per share.

The weighting for 2017 was:

1. Growth in headline earnings before tax: 40%
2. Growth in economic profit: 40%
3. Farming production efficiency targets: 20%

In determining the weighting for the 2018 financial year, the RHCC considered the importance of increased earnings, the composition of the asset base required by the business, the hurdle rates used to consider any new capital allocation, and the importance of achieving optimal farming efficiencies in realising the Company's business strategy.

The hurdle rates for HEBTPS, the percentage of growth in EP included in the bonus pool, and farming production efficiency targets are determined annually by the Board to establish minimum and maximum potential bonus pay-outs during the first quarter of the following fiscal year.

An employee's individual performance score, which is measured in line with his or her individual performance contract, must be at least satisfactory to participate in any bonus payout. Individual performance targets are determined and evaluated by the employee's manager on a six-monthly basis. These targets are the basis of the performance contract of a specific employee. A percentage achievement of at least 65% is required for participation in any STI payout. These performance conditions are considered to be sufficiently stretching and appropriate to Quantum Foods' business model.

RHCC discretion

The RHCC has the discretion to review STI payments in the interest of all stakeholders. This decision may be guided by contextual realities that may have impacted the performance of the Group in the year under review.

LTI scheme

Selected employees, including executives, are given the opportunity to participate in the LTI scheme at the sole discretion of the Board.

Share appreciation rights

Shareholders approved the scheme and rules of the equity-settled Phantom SAR Plan ("the SAR plan"), in compliance with the JSE Listings Requirements. In terms of the SAR plan, selected employees are granted the opportunity to receive shares in the Company. The quantum of their awards is based on the future increase in the value of the SARs awards. The SAR plan is intended to promote the continued financial growth of the Group. The RHCC determines the allocation to qualifying employees on an annual basis.

LTI allocation methodology

Multiples of annual TGP are used to determine the annual allocation of SARs to qualifying employees. Employees are "topped up" each year to ensure that their unvested SARs are equal in value to the multiple. In determining annual top-up allocations, only unvested past allocations are taken into account. Awards are made annually. The SAR allocation levels are set out below:

Position	Annual SAR allocation level (as a multiple of TGP)
CEO	7
Executives	3
Senior management	1

Performance conditions for vesting

50% of the award is subject to performance conditions, while 50% is based on continued employment. The LTI performance conditions are illustrated below. None of the SARs will vest if the growth in HEPS falls below the threshold. There is no resetting of performance conditions, and the relevant tranche will lapse if the applicable performance conditions are not met.

Performance condition	Threshold	Stretch
Compound Annual Growth Rate ("CAGR") in HEPS	CPI + 1%	CPI + 5%
	0% vesting	100% vesting

Awards vest on the 3rd, 4th and 5th anniversary of the award date, with a six-month exercise period after vesting.

Settlement

Quantum Foods may settle SAR awards on the exercise date by issuing additional shares or purchasing shares in the market for transfer to qualifying employees.

Dilution limit

The total number of ordinary shares that may be transferred to qualifying employees under the SAR scheme is limited to 14.5 million shares, which amounts to 6.5% of Quantum Foods' issued share capital. The individual employee limit is 1 million shares, which amounts to 0.45% of the Company's issued share capital.

Early termination

For fault leavers as defined in the SAR scheme rules, vested but unexercised SARs may be exercised within 30 days of termination of employment. All SARs (vested and unvested) will lapse thereafter. For no-fault leavers, as defined in the SAR scheme rules, the participant will be entitled to the same rights, and subject to the same conditions, as they would have been if they remained employed by the Company.

Executive directors’ service agreements

Executive directors’ service agreements are prepared with input from the RHCC. These service agreements are similar to employment agreements for other employees, apart from a longer notice period of three months versus one month for most other employees. The three-month period applies to executive directors, as well as all senior managers. Executive directors’ service agreements do not contain restraint of trade provisions. Sign-on awards will only be made in exceptional circumstances to attract extraordinary talent. No such awards have been made to date. Executive contracts do not contain provisions that require the RHCC to make severance or balloon payments on termination of employment. Executives may serve on the boards of other companies with the approval of the CEO. The survey and benchmark that is used in determining executive directors’ remuneration is the *Executive directors’: Remuneration practices and trends report* (PwC). The RHCC is satisfied that the use of this report is appropriate in the context of Quantum Foods and its business.

Non-executive director fees

NEDs are paid a quarterly retainer fee in cash. The fee reflects the NED’s assigned responsibilities. The fee is evaluated annually, and every two years, movements are informed using the *Non-executive directors’: Practices and trends report* (PwC). The RHCC is satisfied that the use of this report is appropriate in the context of Quantum Foods and its business. NEDs are paid an all-inclusive retainer fee, and are not paid per meeting. NEDs do not receive supplementary fees for an increased workload or *ad hoc* meeting attendance. However, NEDs are reimbursed for any related disbursements.

Shareholder engagement methods

Previously, only the remuneration policy was placed before shareholders at the AGM for a non-binding advisory vote. In line with King IV™ and the JSE Listings Requirements, the remuneration policy and implementation report will be placed before shareholders for two separate non-binding advisory votes from 2018. In the event that 25% or more of shareholders vote against either of or both the remuneration policy and implementation report, the RHCC will initiate communication with shareholders via a SENS announcement following the AGM. This communication will aim to determine and address shareholders’ concerns, including the manner and timing of the engagement. The RHCC may, *inter alia*, schedule a meeting with dissenting shareholders to discuss their concerns, if practical.

Taking into account feedback from shareholders, the RHCC reserves the right to modify aspects of the remuneration framework in line with best practice and shareholders’ interests.

Implementation of the remuneration policy in 2017

TGP

The RHCC approved a salary increase mandate of 7.0% of total cost to Company for non-sectoral employees and executives, and a 7.4% basic pay increase for sectoral employees. The RHCC is satisfied that the increase levels for executive directors are in line with increase levels throughout the Company.

STI outcomes

The table below sets out the STI performance outcomes for 2017:

Performance measure	Weighting %	Actual achievement %
HEBT	40	40.0
EP	40	0
Farming production efficiency	20	8.7
Total	100	48.7

The table below sets out the STIs of executive directors and prescribed officers in 2017, based on the achievement of performance targets:

Participant	2017 STI amount R'000	Actual STI (as % of TGP)	STI earning potential (as % of TGP)
Hennie Lourens	**1 516**	48.7	100
André Muller	**707**	36.5	75
Heather Pether	**475**	36.5	75

LTI outcomes

There are no LTI outcomes to report this year, as the first tranche of SARs (made in 2015) are due to vest in 2018. During the year under review, 7 560 630 SARs, at a strike price of R3.09 per share, were granted. The baseline HEPS of 28.2 cents per share for the 2017 allocation is the actual HEPS recorded for 2016. The Board did not increase the baseline HEPS for the 2017 allocation. Therefore, the total 100% vesting for the performance component of the 2017 allocation will be realisable at CAGR in HEPS of CPI plus 5%, from the baseline of 28.2 cents per share.

Unvested LTIs

The table below discloses the value of each executive director and prescribed officer's LTIs, whether allocated, settled, or forfeited, as well as the indicative value of SARs not yet settled. The indicative value of the closing number of SARs was calculated based on the number of SARs at the Company's year-end share price, less the grant price of the particular SARs granted.

	Date awarded	Vesting date	Opening number	Granted during the year	Grant price Cents	Forfeited during the year	Settled during the year	Closing number	Indicative value R'000
Hennie Lourens	2015/02/27	Note 1	774 376		315	–	–	774 376	Nil
	2016/02/18	Note 2	634 240		266	–	–	634 240	216
	2017/02/23	Note 3		2 280 786	309	–	–	2 280 786	Nil
André Muller	2015/02/27	Note 1	477 854		315	–	–	477 854	Nil
	2016/02/18	Note 2	187 902		266	–	–	187 902	64
	2017/02/23	Note 3		510 736	309	–	–	510 736	Nil
Heather Pether	2015/02/27	Note 1	224 410		315	–	–	224 410	Nil
	2016/02/18	Note 2	122 190		266	–	–	122 190	42
	2017/02/23	Note 3		402 570	309	–	–	402 570	Nil

Note 1: Vesting in three equal tranches on 27/02/2018, 27/02/2019 and 27/02/2020
Note 2: Vesting in three equal tranches on 18/02/2019, 18/02/2020 and 18/02/2021
Note 3: Vesting in three equal tranches on 23/02/2020, 23/02/2021 and 23/02/2022

Remuneration outcomes for 2017

The table below sets out the single figure remuneration (i.e. TGP (Basic salary and Benefits), STI and LTI) received by executive directors and prescribed officers in 2017 and 2016, respectively:

30 September 2017	Basic salary R'000	Benefits R'000	STI R'000	LTI* R'000	Directors' fees R'000	Total R'000
Hennie Lourens	2 698	356	1 516	–	–	4 570
André Muller	1 635	271	707	–	–	2 613
Heather Pether	1 013	251	475	–	–	1 739
Total	5 346	878	2 698	–	–	8 922
30 September 2016						
Hennie Lourens	2 481	580**	77	–	–	3 138
André Muller	1 524	259	36	–	–	1 819
Heather Pether	900	235	23	–	–	1 158
Jimmy Murray#	1 510	370	38	–	–	1 918
Total	6 415	1 444	174	–	–	8 033

* *Number of SARs exercised during the year under review multiplied by the share price on exercise date less the strike price payable of the SARs on grant date. The first vesting of SARs allocated is in 2018.*

** *Includes a long-service award of R242 584*

Jimmy Murray resigned from the SEC during 2017 and is no longer regarded as a prescribed officer

NED fees

The table below sets out the fees paid to NEDs in 2017:

Name	2017 R'000
André Hanekom	338
Norman Celliers	247
Prof. Mohammad Karaan	293
Patrick Burton	294
Geoffrey Fortuin	247

Approval

The RHCC is satisfied that there were no material deviations from the remuneration policy during 2017.

This remuneration report was approved by the RHCC on 9 November 2017.

ANNEXURE 6

GOING CONCERN STATEMENT

The audit and risk committee ("the committee") has considered and reviewed a documented assessment, including key assumptions, as prepared by management of the going concern status of the Company and has made recommendations to the Board in accordance therewith. The Board's statement regarding the going concern status of the Company, as supported by the committee, is included in the directors' responsibility report in Annexure 7.

ANNEXURE 7

DIRECTORS' RESPONSIBILITY

In accordance with the requirements of the Companies Act, the Board is responsible for the preparation of the annual financial statements and the consolidated financial statements of Quantum Foods. These conform to IFRS and fairly present the state of the Group at the reporting date.

It is the responsibility of the independent external auditors to report on the fair presentation of the financial statements.

The Board is ultimately responsible for the internal control processes of Quantum Foods. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of financial records and of the financial statements and to adequately safeguard, verify and maintain accountability for the Group's assets. Appropriate accounting policies, supported by reasonable and prudent judgements and estimates, are applied on a consistent and going concern basis. Systems and controls include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties.

Based on the information and reasons given by management and the internal auditors, the Board is of the opinion that the accounting controls are sufficient and the financial records may be relied upon for preparing the financial statements and maintaining accountability for the Group's assets and liabilities.

Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of these controls, resulting in material loss, has occurred during the financial year and up to the date of this report. The Board has a reasonable expectation that the Group and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue adopting the going concern basis in preparing the financial statements.

The summary consolidated financial statements of the Group were approved by the Board on 22 November 2017 and are signed on its behalf by:

WA Hanekom
Chairman

HA Lourens
Chief Executive Officer

ANNEXURE 8

REPORT OF THE SOCIAL AND ETHICS COMMITTEE ("SEC")

During the reporting period, the SEC held two meetings. The SEC reviewed the committee charter and work plan. The SEC is guided by the five main focus areas, as set out in regulation 43 of the Companies Regulations, 2011. These are:

- Social and economic development
- Good corporate citizenship
- Environment, health and safety
- Consumer relationships
- Labour and employment

During the year, the SEC's key focus areas were as follows:

- B-BBEE and targets – The committee monitored the strategy and targets of the Company.
- Sponsorships and charitable donations – The SEC monitored the various product donations, and continues to monitor the social responsibility initiatives, which is detailed under the ensuring responsible business section on pages 50 to 51 of the 2017 Integrated Report.
- Water, energy and waste disposal management – A report containing usage details is monitored biannually. The short-term aim is to reduce wastage of these elements across the Group's operations.
- Occupational compliance – During the year, the SEC noted progress in obtaining occupational certificates for various business premises. This is an ongoing process. Capital is allocated each year to ensure progress on compliance.
- Customer complaints and food safety – The SEC monitored customer complaints and food safety, and is satisfied that such matters were adequately monitored and dealt with during the year.
- Employment equity and training – The SEC monitored employment equity and training as set out in the ensuring responsible business section on pages 47 to 49 of the 2017 Integrated Report.
- Animal welfare – The SEC monitored engagement with the NSPCA and other stakeholders to ensure that animal welfare remains a priority.
- Ethics management – The SEC monitors adherence to the code of conduct.

The SEC evaluated and approved the non-financial information contained in the 2017 Integrated Report. The SEC is satisfied that it has fulfilled its responsibilities in accordance with its charter and work plan for the reporting period.

Prof. ASM Karaan
Chairman
22 November 2017

ANNEXURE 9

DIRECTORS' INTEREST IN SHARES

As at 30 September 2017, the aggregate of the direct and beneficial interest of directors was 3.64% (2016: 3.32%) of the issued share capital of the Company. Indirect interest through listed public companies have not been taken into account. Individual directors' interest in the issued share capital of the Company is reflected below.

Since the end of the financial year and until the date of the annual report, there were no material changes in the interest of the directors.

	Number of shares*			% of issued ordinary share capital
	Direct	Indirect	Total	
30 September 2017				
HA Lourens	580 005	–	580 005	0.261
AH Muller	171 079	–	171 079	0.077
WA Hanekom	–	7 250 048	7 250 048	3.261
N Celliers	–	–	–	–
Prof. ASM Karaan	–	86 147	86 147	0.039
PE Burton	–	3 000	3 000	0.001
GG Fortuin	–	–	–	–
	751 084	7 339 195	8 090 279	3.639
30 September 2016				
HA Lourens	530 005	–	530 005	0.229
AH Muller	171 079	–	171 079	0.074
WA Hanekom	–	6 915 086	6 915 086	2.983
N Celliers	–	–	–	–
Prof. ASM Karaan	–	86 147	86 147	0.037
PE Burton	–	3 000	3 000	0.001
GG Fortuin	–	–	–	–
	701 084	7 004 233	7 705 317	3.324

Notes:

* *There has been no change in the directors' interest in shares from the end of the financial year to the date of the approval of the annual financial statements.*

CORPORATE INFORMATION

QUANTUM FOODS HOLDINGS LTD

Incorporated in the Republic of South Africa
Registration number: 2013/208598/06
Share code: QFH
ISIN code: ZAE000193686

DIRECTORS

WA Hanekom (Chairman)
PE Burton (Lead independent)
GG Fortuin
Prof. ASM Karaan
N Celliers
HA Lourens (CEO)*
AH Muller (CFO)*

* *Executive*

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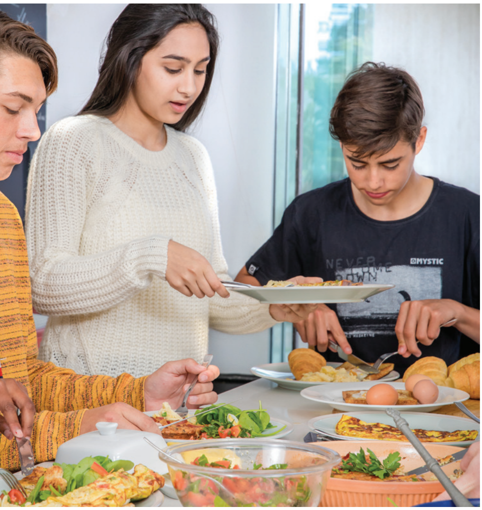

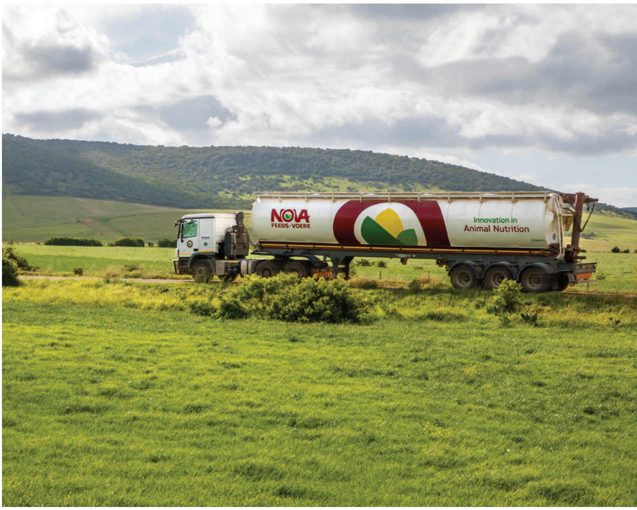

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