XXXXXXXXXX

Regd./Business Address	XXXXXXXXXXXXXX
Phone	+00 00 0000000
Email	xxx@xxxxxx.com
Website	www.xxxxxx.com

Executive Summary

Report ID	000000
Company Name	XXXXXXXXXX
Company Status	Active
Legal Form	Private Company
Regd./Formation Date	07-Mar-1997
Incorporation No.	0000 / 000000 / 00
Tax ID No./VAT No.	0000000000
Listed	No
Business Activity	Providing Agriculture and Agriculture Related Services
SIC Code(s)	141 - Agricultural service activities

Financial Summary

Capital	ZAR	9 519 000
Net worth	ZAR	946 329 050
Turnover/Sales	ZAR	6 512 213 020
Profit After Tax	ZAR	120 492 520
FY Ended	31-Aug-2016	
Financial Types	Consolidated	

Notes

We interviewed Ms. XXX, Accounts Department on +00 00 0000000. She has only confirmed the name & address of the subject

The correct and complete name & address of the subject is mentioned above.

Credit Recommendation

Credit Rating	B
Credit Score	**40**
Credit Limit	USD 12000
Comments	Recommendation is largely based on overall financial strength and longevity of the subject

Credit Rating Guide

Credit Rating	Credit Score	Explanation
A+	81 - 100	Low Risk
A	61 - 80	Moderate Risk
B	40 - 60	Medium Risk
C	21 - 39	Medium High Risk
D	1 - 20	High Risk
NR	--	No Rating

Shareholding Structure

Name

XXXXXXXXX

Directors / Principals

1	**Name**	XXX
	Designation	
	Date / Year of Birth	Director
	Date of Appointment	31-Jul-1971
	Residential Address	01-Jun-2012
		Postal: XXXXXXXXXXXXXXXX/ Residential: XXXXXXXXXXXXXXXX

2	**Name**	XXX
	Designation	Director
	Date / Year of Birth	02-May-1977
	Date of Appointment	30-Mar-2017
	Residential Address	Postal: XXXXXXXXXXXXXXXX/ Residential: XXXXXXXXXXXXXXXX

3	**Name**	XXX
	Designation	Non Executive Director
	Date / Year of Birth	03-Nov-1954
	Date of Appointment	07-Mar-1997
	Residential Address	Postal: XXXXXXXXXXXXXXXX/ Residential: XXXXXXXXXXXXXXXX

4	**Name**	XXX
	Designation	
	Date / Year of Birth	Non Executive Director
	Date of Appointment	15-May-1962
	Residential Address	26-Jun-1997 Residential: XXXXXXXXXXXXXXXX

Key Personnel

1	**Name**	XXX
	Designation	Company Secretary
	Date / Year of Birth	14-Aug-1979
2	**Name**	XXX
	Designation	Accounts Department

Business Operations

The subject is focused on providing Agriculture and Agriculture related services and inputs and to providing market access for agricultural products.

Enterprise Type	Private Company
Enterprise Status	In Business
Compliance Status	Compliant
Financial Year End	August
Listing on Stock Exchange	No

Location(s)

Postal Address	XXXXXXXXXXXXXXXX

Affiliates/Associates

Group Companies

Name	XXXXXXXXXXXXXX

Banker

Name	The Land and Agricultural Development Bank of South Africa (Land Bank)
Name	Standard Bank of South Africa Limited

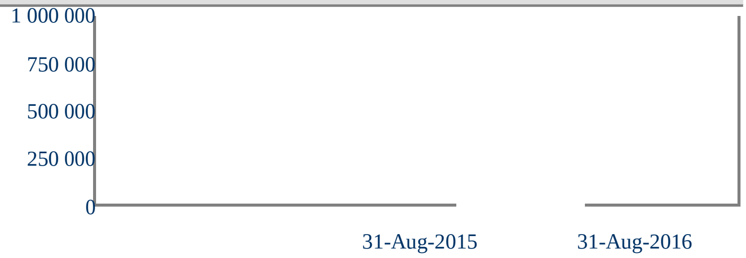
Auditor

Name	XXXXX
E-Mail	xxx@xxx.za

GROUP FINANCIAL SUMMARY

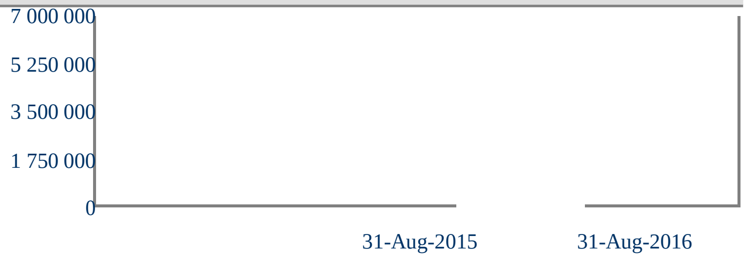
NET WORTH — **ZAR in '000'**

Year Ended	Amount	Change
31-Aug-2016	946 329	14.24%
31-Aug-2015	828 382	---



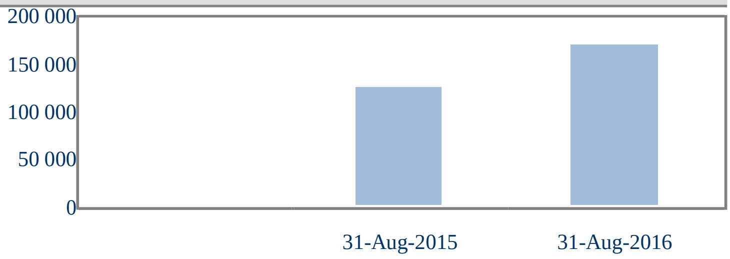
OPERATING REVENUE — **ZAR in '000'**

Year Ended	Amount	Change
31-Aug-2016	6 512 213	22.70%
31-Aug-2015	5 307 364	---



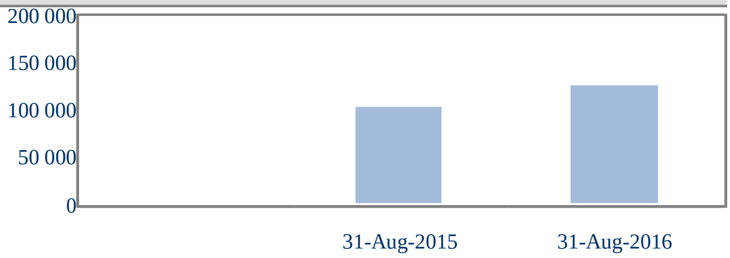
PROFIT BEFORE TAX — ZAR in '000'

Year Ended	Amount	Change
31-Aug-2016	170 088	43.47%
31-Aug-2015	118 551	---



PROFIT AFTER TAX — ZAR in '000'

Year Ended	Amount	Change
31-Aug-2016	120 492	32.95%
31-Aug-2015	90 628	---



CONSOLIDATED BALANCE SHEET

For the Year Ending :	31-Aug-2016	31-Aug-2015
		(ZAR in '000')
Period	(12 months)	(12 months)
Type of Financials	Consolidated	Consolidated
Account Type	Audited	Audited
Source	Others	Others
EQUITY AND LIABILITIES		
Shareholders' Funds	**750 146.38**	**677 537.61**
- Share Capital	9 518.82	9 518.82
- Reserves and Surplus	740 627.56	668 018.79
Non-controlling interest	**196 182.67**	**150 844.46**
Non-current liabilities	**355 999.60**	**369 712.29**
- Deferred tax liabilities	112 176.06	81 480.05
- Retirement benefit obligations	6 089.01	4 756.29
- Long-term borrowings	13 250.08	0.00

- Other Long term liabilities	224 484.45	283 475.95
Current liabilities	**1 856 375.40**	**1 945 027.80**
- Trade payables	616 912.25	612 728.71
- Short-term provisions	528.89	680.22
- Tax liabilities	4 761.03	385.57
- Short-term borrowings	6 118.33	2 410.29
- Other current liabilities	1 228 054.90	1 328 823.01
TOTAL	**3 158 704.05**	**3 143 122.16**
ASSETS		
Non-current assets	**1 234 851.46**	**1 166 634.92**
- Fixed Assets	759 490.27	704 898.50
- Tangible assets	737 573.95	685 765.61
- Intangible assets	21 916.32	19 132.89
- Long-term loans and advances	11 527.74	7 533.21
- Financial Assets	173 687.75	180 670.91
- Other non-current assets	290 145.70	273 532.30
Current assets	**1 923 852.59**	**1 976 487.24**
- Inventories	994 339.58	1 021 704.65
- Trade receivables	773 094.59	873 071.01
- Cash and cash equivalents	133 187.35	57 320.15
- Other current assets	23 231.07	21 481.43
- Other --	0.00	2 910.00
TOTAL	**3 158 704.05**	**3 143 122.16**

CONSOLIDATED PROFIT & LOSS A/C

For the Year Ending :	31-Aug-2016	31-Aug-2015
		(ZAR in '000')
Revenue		
- Revenue from operations	6 512 213.02	5 307 364.54
- Interest Income	1 035.64	802.30
- Other income	89 617.95	99 343.02
TOTAL REVENUE	**6 602 866.61**	**5 407 509.86**
Expenses		
- Cost of materials consumed	5 614 738.82	4 517 435.93
- Other expenses	705 664.21	663 395.63
- Finance Cost	112 375.26	108 126.90
TOTAL EXPENSES	**6 432 778.29**	**5 288 958.46**
Profit (Loss) before tax	**170 088.32**	**118 551.40**
Tax Expenses		
- Taxes	49 595.80	27 923.25
Profit (Loss) for the period	**120 492.52**	**90 628.15**

CONSOLIDATED STATEMENT OF CASH FLOW

	31-Aug-2016	31-Aug-2015
		(ZAR in '000')
Cash flows from operating activities		
Cash generated from operations	430 641.04	12 313.13
Interest income	4 318.47	716.80
Dividend income	1 035.64	802.30
Finance costs	-112 375.26	-108 126.90
Tax paid	-26 171.73	-10 590.57
Net cash from operating activities	297 448.15	-104 885.24
Cash flows from investing activities		
Purchase of property, plant and equipment	-77 829.99	-50 358.03
Sale of property, plant and equipment	23 289.67	10 432.03

Sale of investment property	18 000.00	
Purchase of goodwill and intangible assets	-3 636.35	
Sale of goodwill and intangible assets	33.62	
Purchase of biological assets	-279 902.81	-265 243.73
Sale of biological assets	264 915.42	289 652.43
Investment in associate		-0.04
Forward contracts	5 894.46	-1 237.65
Net cash from investing activities	-49 235.98	-16 754.98
Cash flows from financing activities		
Proceeds from other financial liabilities	13 241.98	239 238.12
Decrease of other financial liabilities	-89 142.06	-29 766.62
Loan advanced to associate	-3 994.53	-7 533.21
Proceeds from other loans	17 798.73	
Decrease of other loans	-840.62	-1 604.33
Finance lease payments	-588.64	-1 706.53
Finance lease receipts	2 903.64	-1 969.08
Dividends paid	-13 595.43	-3 532.03
Purchase of own shares		-1 265.35
Repayments of forestry and term loans	44 866.21	10 135.13
Advance on forestry and term loans	-26 489.55	-95 202.68
Net cash from financing activities	-55 840.27	106 793.43
Total cash movement for the period	192 371.90	-14 846.79
Cash at the beginning of the period	-59 447.21	-44 600.42
Total cash at end of the period	132 924.69	-59 447.21

COMMENTS

* The information provided in this report is largely based on the information procured from the subject's records file at ZA Central Registry.

* We interviewed Ms. XXX, Accounts Department. She has only confirmed the name & address of the subject and refused to share further details.

* The above mentioned consolidated financials are procured from other searches.

KEY RATIOS

SOLVENCY RATIOS	31-Aug-2016	31-Aug-2015
Current Ratio	1.04	1.02
Quick Ratio	0.50	0.49

Current Ratio - A measure of short term solvency i.e. ability to meet the short term obligations by matching current assets against current liabilities. Ideal current ratio is 2: 1 (2.0). However, a very high ratio indicates availability of idle cash and is not a good sign.

Quick Ratio - A measure of the amount of liquid assets available to offset current liabilities. The ratio is 1:1 (1.0), the business is said to be in a liquid condition. The larger the ratio, the greater the liquidity.

LEVERAGE RATIOS	31-Aug-2016	31-Aug-2015
Debt Ratio	0.66	0.71
Debt Equity Ratio	0.25	0.34
Current Liabilities / Net Worth	1.96	2.35
Fixed Asset/ Net Worth	0.80	0.85
Interest Coverage Ratio	2.51	2.10

Debt Ratio - A ratio that indicates what proportion of debt a company has relative to its assets. A debt ratio of greater than 1 indicates that a company has more debt than assets. The debt ratio can help investors determine a company's level of risk.

Debt Equity Ratio - The debt-to-equity ratio is a measure of the relationship between the short term & long term debts and the capital contributed by shareholders. A ratio of 1:1 is usually considered to be satisfactory ratio.

Current Liabilities /Net Worth - This ratio indicate the amount due to creditors within a year as a percentage of the owners or stockholders investment. The smaller the net worth, larger the liabilities, resulting in less security for creditors.

Fixed Asset/ Net Worth - The ratio indicates the extent to which shareholder's funds are invested into the fixed assets. If this ratio is unusually large, a company may be overinvested in fixed assets and vice versa if it is small it may limit the company's ability to produce profits. A ratio of .75 or higher is usually undesirable.

Interest Coverage Ratio - A ratio used to determine how easily a company can pay interest on outstanding debt. It measures the margin of safety for the lenders. The higher the number, more secure the lender is in respect of periodical interest.

EFFICIENCY RATIOS	31-Aug-2016	31-Aug-2015
Average Collection Days	43.33	60.04
Accounts Receivable Turnover	8.42	6.08
Average Payment Days	40.10	49.51

Inventory Turnover	6.55	5.19
Asset Turnover	8.57	7.53

Average Collection Days - The approximate amount of time that it takes for a business to receive payments owed, in terms of receivables, from its customers and clients. Possessing a lower average collection period is seen as optimal.

Accounts Receivable Turnover - The accounting measure used to quantify a firm's effectiveness in extending credit as well as collecting debts. A high ratio implies either that a company operates on a cash basis or that its extension of credit and collection of accounts receivable is efficient.

Average Payment Days - The average payment days represents the number of days taken by the company to pay its creditors. A lower credit period ratio signifies that the creditors are being paid promptly. However a very favorable ratio to this effect also shows that the business is not taking the full advantage of credit facilities allowed by the creditors.

Inventory Turnover - A ratio showing how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or inefficient buying.

Asset Turnover - Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue or sales income to the company. The higher the number the better.

PROFITABILITY RATIOS	31-Aug-2016	31-Aug-2015
Operating Profit Margin	4.34	4.27
Net Profit Margin	1.85	1.71
Return on Total Assets	3.81	2.88
Return on Equity	12.73	10.94

Operating Profit Margin - The operating profit margin ratio is a measure of overall operating efficiency of a company. It is expressed as a percentage of sales and shows the efficiency of a company for controlling the costs and expenses associated with business operations.

Net Profit Margin - Net Profit Margin ratio is calculated by dividing net profit by operating income. It measures how much out of every unit of sales a company actually earns profit. The higher the ratio the better.

Return on Total Assets - The Return on Assets of a company determines its ability to utilize the Assets employed in the company efficiently and effectively to earn a good return. The greater a company's earnings in proportion to its assets the more effectively that company is said to be using its assets.

Return on Equity - Return on equity measures the return on the ownership interest of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity.

ECONOMIC OUTLOOK

(South Africa)

Economic growth is projected to rebound in 2017 and strengthen further in 2018, driven by household consumption and investment. In particular, the improvement in electricity production removes bottlenecks and should boost confidence and therefore investment, provided that political uncertainties dissipate. Rising production costs, together with the earlier rand appreciation should weigh on exports.

The macroeconomic situation is still difficult as growth is weak and inflation is above the central bank's target. Falling inflation will create scope to ease monetary policy; however, scope for easing may be limited in the short term as the persistent drought is driving up food prices. Lifting barriers to competition and favouring the development of SMEs could boost productivity, employment and living standards. Unless growth accelerates, however, unemployment and inequality will remain very high.

Fiscal policy is under pressure from the risk of a ratings downgrade. Due to the continued increase of government debt and higher borrowing rates in the context of persistent low growth, South Africa has no fiscal space. The government needs to stick to its consolidation path and improve the effectiveness of spending and investments.

Growth is low

Falling investment and persistent drought are driving down growth. Political uncertainties have reduced confidence further. Private investment has recorded negative or zero growth for six consecutive quarters. However, in the second quarter of 2016, exports bounced back and are lifting growth for 2016. At 27%, the unemployment rate is weighing on household consumption and driving up inequalities.

Increasing the efficiency of public spending to boost growth

Inflation will peak by the end of 2016 before declining slowly in 2017. Ongoing food price inflation, and its knock-on effects on manufactured food prices, is pushing up inflation, despite lower than expected increases in administered prices. As inflation falls, it will open room for easing monetary policy while remaining vigilant on the evolution of food and oil prices. The dissipation of political uncertainties will play a key role in bringing back confidence and therefore strengthening investment and consumption.

Since 2015, the government has demonstrated its commitment to curbing spending. A strict consolidation plan is being implemented to limit the deficit and stabilise public debt. Higher-than-expected government revenues in the first half of the year and continued restrictions on spending are improving fiscal outcomes for 2016 and 2017. Fiscal policy is projected to remain restrictive in 2017-2018 to maintain credibility and reduce costs of borrowing. There is still room to increase the efficiency of spending and strengthen investment in infrastructure. Furthermore, more funds could be raised by allowing private sector participation in those state-owned enterprises which are servicing markets with a sufficient degree of competition or effective oversight by a regulator.

The high level of unemployment calls for bold structural reforms to boost the economy and job creation. Different areas of the economy are still subject to high barriers of entry or limited competition. Increasing market competition in network industries and lowering restrictions and licensing costs in service sectors could create entrepreneurial opportunities and therefore employment. Developing entrepreneurship through better training, vocational education and access to finance is key to reduce the high structural unemployment level.

Political uncertainty is the main risk
Confidence will be the key factor to restart growth. Improvements in confidence are projected to drive up investment and consumption. However, growth is projected to pick up only modestly. Improvements in electricity capacity are also expected to push up investment a little. Moreover, the recent positive trend in commodity prices and rand developments should raise exports. However, further delays on land reform and a new mining charter would weigh on confidence.

The main short-term risk is a sovereign downgrade by rating agencies. In a benign scenario, a downgrade would lead to a short-term spike in interest rates and a further weakening of the rand. In a more worrisome scenario, it could trigger a sharp reversal of capital flows and precipitate a recession. The main external risks are related to Brexit and unexpected increases in US interest rates that could have adverse effects on capital flows and the volatility of the rand. On the other hand, a normal rainy season would raise agricultural output and push down food prices. Also, if political developments stop affecting the rand, it should appreciate which would contribute to lower inflation.

Credit Rating Explanation

Credit Rating	Credit Score	Explanation	Rating Comments
A+	81 - 100	Low Risk	Business dealings permissible with low risk of default.
A	61 - 80	Moderate Risk	Business dealings permissible with moderate risk of default.
B	40 - 60	Medium Risk	Business dealings permissible on a regular monitoring basis.
C	21 - 39	Medium High Risk	Business dealings permissible preferably on secured terms.
D	1 - 20	High Risk	Business dealing not recommended or on secured terms only.
NR	--	No Rating	No recommendations can be made at this stage due to lack of sufficient information.

The credit appraisal provides an assessment of the creditworthiness of a company. It takes into account significant elements of credit including history, business performance, management, background, financial position, payment history, overall market conditions, market trends and the reputation of the company.

NR is stated where there is insufficient information to facilitate rating. However, it is not to be construed as unfavorable.

* * * E N D O F R E P O R T * * *