The Directors are pleased to present the Audited Financial Results For Padenga Holdings Limited for the year ended 31 December 2017.

FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>US$</td>
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- **Revenues:** $1,760,932, a 53% decline against prior year ($3,745,074 – FY16). The unit recorded an operating loss of $16,368,831 ($11,040,379 – FY16).
- **Basic earnings per share:** 2.40 (FY16: 1.65)
- **Earnings per share (cents):** 54.71 (FY16: 16.00)
- **Non-controlling interest:** (70,998) (FY16: -546,317)
- **Profit for the year attributable to:**
  - **Non-controlling interest:** (70,998) (FY16: -546,317)
  - **Equityholders:** 235,789 (FY16: 226,581)
- **EARNINGS AND PROFITABILITY**
  - **Operating profit before depreciation, impairment, fair value adjustments and share of results of associates:** $13,934,470 ($13,934,470 – FY16)
  - **Profit before tax:** $17,008,557 ($17,008,557 – FY16)
  - **Profit for the year:** $13,934,470 ($13,934,470 – FY16)

**SUSTAINABILITY**

- The Group had no contingent liabilities at 31 December 2017.
- The Group's financial results for the year ended 31 December 2017 have been prepared in accordance with IFRS as at 31 December 2017.

**Directors' Responsibility**

14 March 2018

Chairman

**COMMENTARY**

The principal accounting policies of the group are consistent with those applied in the previous financial year.

**Directors’ Responsibility**

14 March 2018

Chairman

1. **Corporate Governance**

The Group is a Limited Liability Company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock exchange. The Group has a 82.88% interest in the Padenga Holdings Limited which has a 98.1% shareholding in the Zimbabwe Alligator Farming Operation ("ZAE""). The ZAE has 93.6% shareholding in the Zimbabwe Crocodile Operation ("ZCO") which include the production facilities and farming of crocodiles, alligators and the export of Nile crocodile and alligator skins.

2. **Basis of preparation**

The financial results of the group have been prepared in accordance with ZEPAP rules as they are filed with the Zimbabwe Stock Exchange. The financial results for the previous year have been prepared in accordance with the Zimbabwe Companies Act (Chapter 24:03).

3. **Statement of compliance**

The financial results have been prepared in accordance with the requirements of the Companies Act (Chapter 24:03).

4. **Currency of reporting**

The financial results are expressed in United States Dollars which is the group’s presentation and functional currency.

5. **Estimates**

When preparing the financial results, management undertakes a number of judgments, estimates and assumptions relating to the measurement of assets, liabilities, income, expenses, commitments and financial liabilities and assumptions made by management, and will not replacethe historical valuations.

6. **Accounting policies**

The Group has adopted the accounting policies of the Group as disclosed in the financial statements for the year ended 31 December 2016.

7. **Operating segments**

The Group presents financial results by reportable segments for the year ended 31 December 2017.

8. **Review of current year performance**

9. **Non-controlling interest**

The capital expenditure will be financed from the Group's internal resources.

10. **Net loss**

A non-controlling interest is the share of the net assets of a subsidiary attributable to non-controlling interests.

11. **Customer deposits**

Customer deposits mainly relate to advances received from our main customer for the acquisition of crocodile farming and tanning equipment in the foreign operation. This will be settled through delivery of hatchlings etc.

12. **Trade and other payables**

Total liabilities increased by 24% to $53,345,179 (FY16: $42,581,542).

13. **Deferred consideration**

Deferred consideration is the consideration that is to be paid to a vendor in lieu of the sale of plant and equipment. This consideration will be settled through delivery of crocodile and alligator offspring.

14. **Borrowing powers**

In terms of the Company's Articles of Association, the Company may, with the prior written consent of the shareholders, borrow such sums of money as the Company may, at any time, require for the purposes of the Company's business.

**SUSTAINABILITY**

The Group has several environmental and corporate social responsibility initiatives in place to ensure the sustainability of its operations.

**Executive management**

The Group's executive management is comprised of: Mr. Jerome Caraguel, Mr. Damien Caraguel, Mr. Timothy Le Brocq, Mr. Chris Caraguel and Mr. Richard Caraguel.

**Sustainability**

The Directors are pleased to present the Audited Financial Results For Padenga Holdings Limited for the year ended 31 December 2017.

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- **Net current assets:** $23,039,214 ($18,105,513 – FY16)
- **Total assets:** $84,742,418 ($72,388,518 – FY16)
- **Total liabilities:** $31,703,204 ($27,345,179 – FY16)
- **Balance of assets:** $53,039,214 ($45,043,339 – FY16)

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