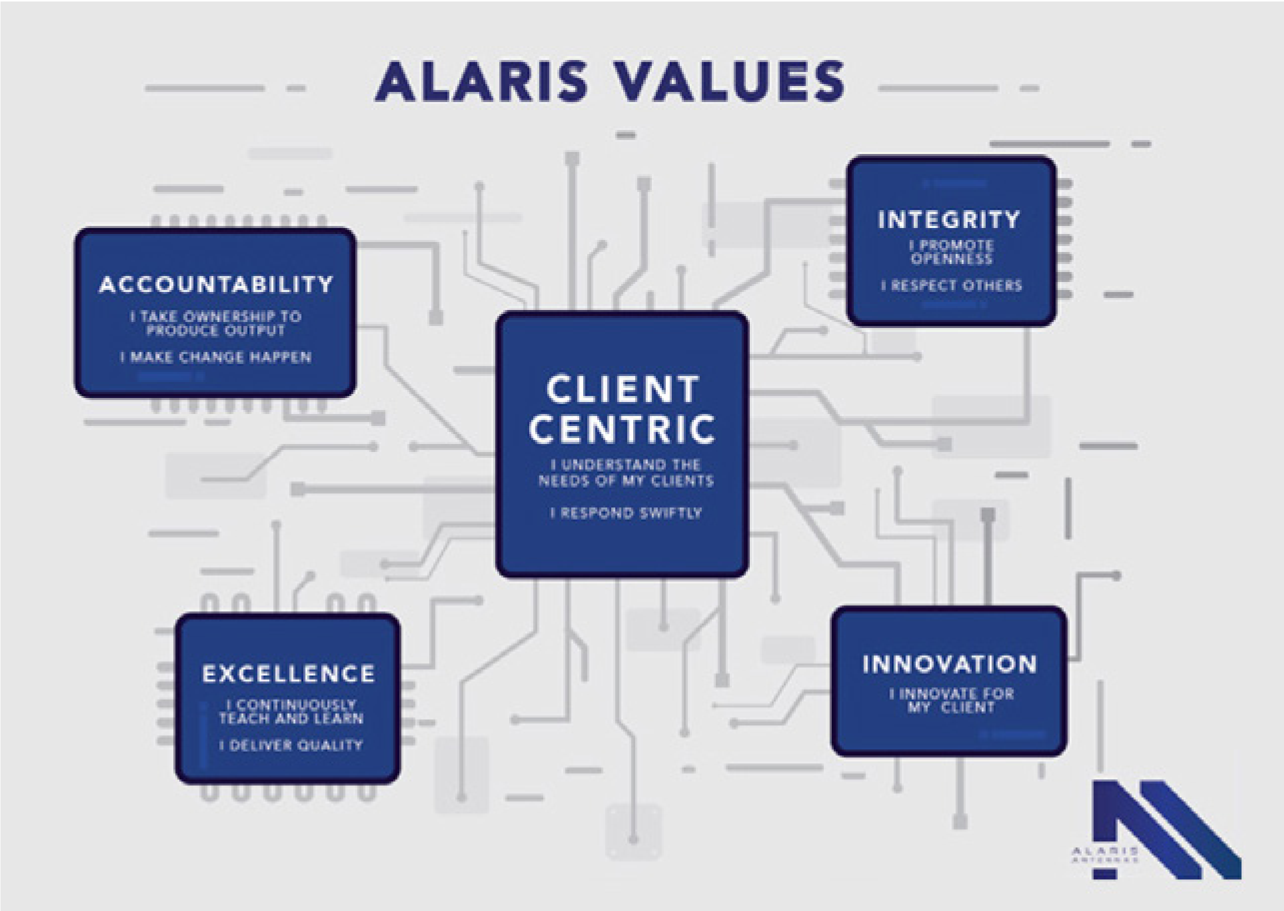
ALARIS
HOLDINGS

Integrated annual report
2017

OUR VISION

Be a leading global radio frequency (RF) technology holding Group by investing in RF related technology companies.

Extracting the core aspects from Alaris' vision statement best describes the nature and **VALUES** of the Group:



OUR MISSION

The mission of Alaris Holdings Limited ("Alaris" or "the Group") is to invest in global RF technology companies with similar business models that inter-operate as innovative bespoke product and solution design factories for their partners.

WHAT WE ARE ALL ABOUT

Alaris is a technology holding company that listed on the AltX of the JSE since July 2008.

The Alaris Group consists of:

Alaris Antennas which designs, manufactures and sells specialised wideband antennas as well as other related radio frequency products. Its products are used in the communication, frequency spectrum monitoring, test and measurement, electronic warfare and other specialised markets. Clients are located across the globe, mostly outside of South Africa (the Americas, Europe and Asia). Its clients are system integrators, frequency spectrum regulators and players in the homeland security space.

COJOT was founded in 1986 and is located in Espoo, Finland. The company has 30 years of experience in the design, development and manufacture of innovative antenna products, serving military and public safety markets globally. The Company develops innovative wideband antennas to improve connectivity, coverage and competitiveness of radio equipment which is deployed to save lives and protect property.

Aucom which provides end–to–end turnkey solutions for radio and TV broadcasters. This business was sold effective May 2017 and classified as a discontinued operation.

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Client Centric...

We understand the needs of our clients.
We respond swifty.

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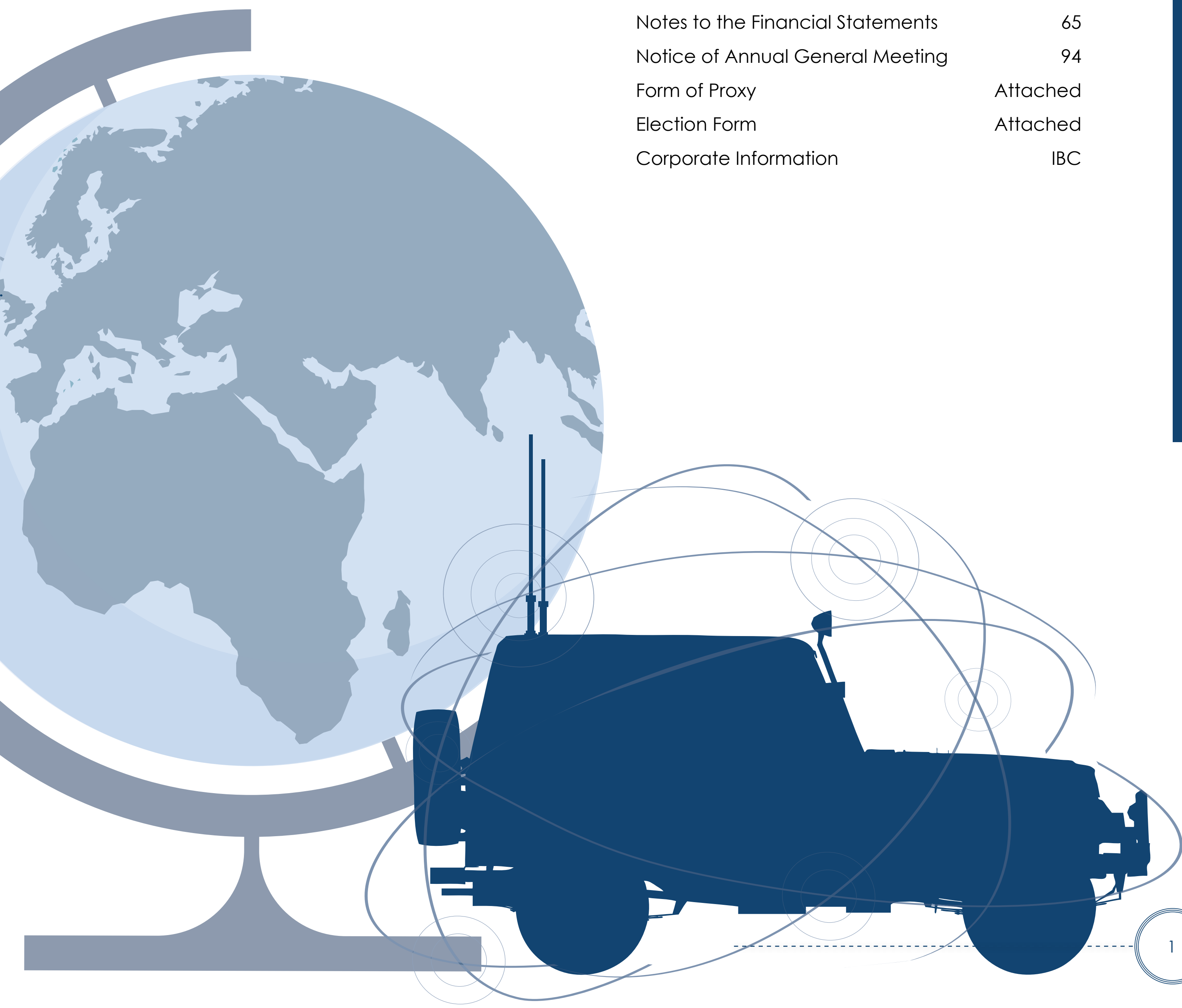


ABOUT THIS REPORT

Alaris Holdings Limited's 2017 integrated annual report provides relevant information relating to the economic, environmental, social activities and financial issues of the Group for the year ended 30 June 2017. The content and structure of this report conforms to the recommendations and the principles laid out in the King Report on Corporate Governance 2016 ("King-IV"), and complies with the South African Companies Act (Act 71 of 2008), as amended ("the Companies Act"), the Listings Requirements of JSE Limited ("the JSE Listings Requirements") and the International Financial Reporting Standards ("IFRS").

It provides an account of the Group's progress to date and offers a forward-looking perspective in terms of future goals, targets and strategies. It aims to provide a transparent, balanced and holistic view of the Group's performance.

The report summarises key aspects of the Group and provides a strategic overview of the activities within the Group. The underlying strength of the report is the commitment to corporate governance and ethical behaviour.

Board responsibility for integrated annual report

The board of directors of Alaris Holdings Limited ("The Board") acknowledges responsibility for the integrity of the integrated annual report. The directors have applied their minds to the report and believe that it covers material issues and fairly presents the consolidated performance of the Group, with the understanding that further work is needed to identify, describe and measure key performance indicators in each area of its activities.

The Board approves the release of the 2017 integrated annual report.

An electronic version of this integrated annual report is available on the Alaris website:

www.alarisholdings.co.za

ALARIS OVERVIEW

ALARIS HOLDINGS

ALARIS ANTENNAS

COJOT
MORE THAN ONE WAVELENGTH

HIGHLIGHTS

REVENUE FROM CONTINUING OPERATIONS

R132.1 million From
R159.4 million To

21%

NORMALISED EARNINGS FROM CONTINUING OPERATIONS

R31.5 million From
R23.4 million To

mainly due to the net foreign exchange loss realised during the year

26%

NET CASH FROM OPERATING ACTIVITIES OF

R13.3 million

for the year.

REPURCHASED A TOTAL OF

40 million shares

from Aucom management as part of the Aucom disposal transaction.

Shares in issue (less treasury shares) reduced to

116.1 million

at year end.

BUSINESS PROCESSES

WHAT WE DO

In line with its strategy to focus on development, manufacturing and selling of RF (Radio Frequency) products to global niche markets, the Board decided to sell its 100% share in Aucom, a wholly owned subsidiary, to Aucom's management ("the Transaction"). The remaining subsidiaries, Alaris Antennas and COJOT, are aligned with the Group's strategic direction. In contrast to this, the Aucom subsidiary is a value-added reseller, which provides end-to-end integrated system solutions to the broadcasting and satellite communication industry in sub-Saharan Africa. Aucom's business is project-based with long sales cycles and its revenue is very dependent on project implementation schedules. It is critical for Aucom to be Broad Based Black Economic Empowerment ("BBBEE") compliant for business in South Africa and such structures can be achieved more easily outside a listed environment.

The Transaction will further align Alaris' offerings with its value proposition of continuously evolving its intellectual property base to design products for specific customer needs. Each subsidiary should enjoy fully committed resources to realise their full potential. With this in mind and based on the assessment of the available market size, the Board believes that the Transaction will free up much needed capacity to enable future international growth and acquisitions aligned to the core strategy. The Group intends to make further acquisitions in due course. Being a client-centric organisation with clients based worldwide, the Group needs to expand its global footprint in order to be closer to its clients.

The continuing operations are divided into three operating segments, namely Alaris Antennas, COJOT, and "Corporate and consolidations"

Alaris Antennas

Defence system integrators, homeland security, spectrum monitoring, test & measurement equipment

Europe, Middle East and Asia ("MEA"), USA and RSA

Wideband direction finding, monitoring, jamming and communication antennas

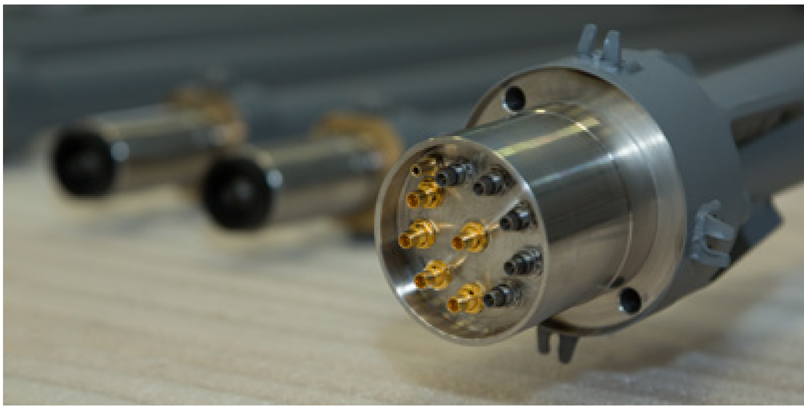
Design, manufacture and sales of specialised antenna products for clients, either from existing designs or by customisation, high value with low volume

Developed 74 new products

Drive growth in various territories including the USA, Middle East, Asia and Europe

Expand on existing key application areas with new products and new production processes and/or materials

Access to a larger sales and R&D resource pool across Alaris and COJOT should improve growth opportunities



Companies/brands and divisions included in this segment	COJOT
Markets	Defence system integrators, homeland security, spectrum monitoring
Major regions	Europe, MEA and USA
Products/services	Wideband antennas with improved connectivity, coverage and competitive performance, for the RCIED and communications market
Business model	Design, develop and sales of antenna products by taking cognisance of customers' needs and adjusting product features accordingly. The manufacture of products is outsourced through partnering with contract manufacturers and a professional service provider network, higher volume with lower price
Increase in product portfolio	Developed 29 new products
Opportunities	Access to a larger sales and R&D resource pool across Alaris and COJOT should improve growth opportunities Drive growth in various territories including the USA, MEA and Europe. Two of the new MIDAS products show good opportunity of sales

CORPORATE AND CONSOLIDATION

Companies/brands and divisions included in this segment	Markets	Major regions	Products/services	Business model
Alaris Holdings, Alaris UK and Alaris Antennas – Corporate division	None. Corporate head office costs allocated to this division	RSA, UK	Regulatory fees, non-exec and head office structure cost, net foreign exchange gains/losses, legal and consulting fees for acquisitions	Manage cost against value added by services

WHERE WE OPERATE

Alaris' corporate offices are currently in the Gauteng province of South Africa and the COJOT offices are located in Espoo, Finland.

The Alaris Antennas and COJOT businesses have numerous distributors based around the world. We supply system houses with specialised antennas. This is primarily through systems integrators and manufacturers who use custom-designed antennas as part of their product offering, and these constitute a valuable and sustainable sales channel.

COJOT outsources its manufacturing to companies in Finland and Estonia, while Alaris Antennas manufactures at their premises in Gauteng, South Africa.

MAJOR OPERATIONS

Alaris Antennas 1 Travertine Avenue N1 Business Park Centurion, 0157 South Africa	**COJOT** PL 59 02271 Espoo Finland

UNDERSTANDING OUR STAKEHOLDERS' INTERESTS

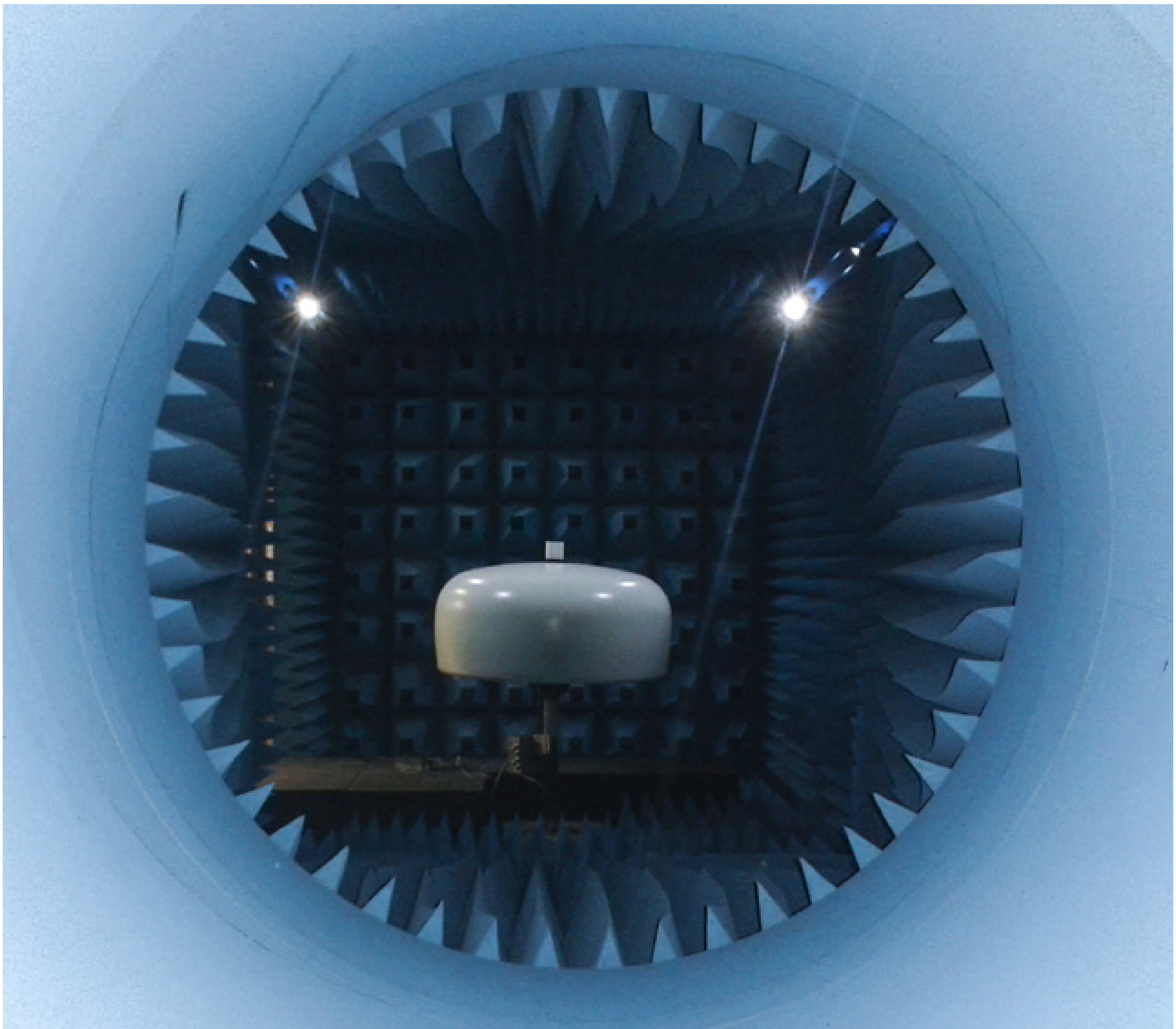
Stakeholder	Requirements	Engagement	Challenges	Status
Investors and shareholders	Generate sustainable returns for investors	Investor relations	Continuously delivering profitable growth	Consistent growth in earnings and increase in global footprint which should enable future growth opportunities
		Financial results reporting and discussions	Historical accounting complexities make financial results difficult to understand	More strategic focus and simplified reporting after disposal of Aucom
		Annual general meeting		
		Individual engagements		
		Clear strategy		
Clients	Our clients expect a speedy response to requests by offering technical knowhow of innovative system solutions and system components, giving them the competitive edge	Understand client requirements by regular engagement with the client and offering applicable technical solutions that address the needs of the customer through product / solution development	Providing top quality innovative antennas and integrated multimedia systems at a market related price and within reasonable timeframes at the desired quality	Focussed sales strategy with more frequent travel to improve proximity to clients globally
			Gaining market share in the USA	Growth in the US via acquisition or opening own office
Partners	The distributors of our products require innovative solutions and technical support	High level communications and active day-to-day support	Ensuring that the distributors remain the leaders in the market place and expanding our global footprint	The Group has shown a steady increase in distributors and partners who actively promote our products

UNDERSTANDING OUR STAKEHOLDERS' INTERESTS (continued)

Stakeholder	Requirements	Engagement	Challenges	Status
Employees	Ensuring personal growth	Strong emotional support and leadership interaction	Retaining key employees and scarcity of engineering skills in South Africa	Value and company culture campaign. Actions addressing areas of concern identified from staff surveys
	Inspiring and innovative platform for individuals to grow	Schedule training programs and social interaction		Scheduled internal and external training programs including management and product training across the global teams
	Being the employer of choice in our industry	Offer employee benefits, job security and internal career advancement		Closer co-operation between the two organisations with possible global career opportunities
Industry players	Being the preferred antenna solutions provider	Attending worldwide trade shows, offering effective and innovative antenna designs and system solutions	Ensuring that we are the leaders in the market	Attending worldwide trade shows and adding various products to both companies' portfolio
Suppliers	Ensuring accurate orders and timely payments	Quality engineers visiting supplier premises and engaging in discussions when new materials are required	Ensuring that suppliers supply quality products at reasonable prices timeously	Quality team expanded to include focus on supplier audits to ensure quality products are delivered on time
Community	Uplifting the community with social development programs	Staying abreast of community concerns and providing a platform for education	Ensuring that the community experiences our company as a responsible citizen; adding value to the community and environment	67 Minutes for Mandela Day event: made and provided sandwiches to the Soul Provider project in Johannesburg CBD.
Government and regulators	Complying with regulations	Meeting with relevant officials and regulators on a regular basis and actively staying involved in discussions regarding changes in regulations	Ensuring compliance as well as keeping abreast of developments	In addition to the Board taking accountability for compliance, the Group is audited on a regular basis by independent third parties to ensure the required levels of compliance are maintained

WHAT IS OUR DNA?

ALARIS HOLDINGS	COJOT	ALARIS ANTENNAS
• Technology holding company that invests horizontally to exploit its knowledge in terms of: – Offering products (sometimes with services) – Focus on system houses and operators – Focus on client intimacy – Technology innovation to stay ahead of market and support clients (give our clients a competitive edge)	• Provide customer solutions through innovative product design • Provide competent technical advice by understanding our clients' needs • High quality of products designed for outsource manufacturing • Excellent service through rapid response	• Provide customer solutions through innovative bespoke product design. • Provide competent technical advice by understanding our clients' needs • Excellent service through rapid response • Wide product offering with flexibility to customer needs



Anechoic chamber at Alaris Antennas Head Office in Centurion, testing the DF-A0037
Photo by: Johan Fuhri

MODERATING OUR BEHAVIOUR

ETHICS

Alaris has always employed a multi-cultural employee team and engaged with customers and suppliers from a variety of cultures. Alaris considers racism, sexism and other forms of discrimination entirely unacceptable. This is communicated via our Company policies and culture. Management ensures prompt reaction to eliminate any contradictory behaviour.

The Board constantly considers the short and long-term impacts of the Group's strategy on the economy, society and the environment. Where possible our products are designed to ensure that the natural environment is not compromised.

All employees of the Group are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner, which in all circumstances, is above reproach. The responsibility of the Social and Ethics Committee is to ensure that Alaris and its employees act in a responsible manner so as to be a good corporate citizen. Strict codes of conduct are in place to ensure that an honest and credible working environment is created and sustained.

Executive directors of the Group and its subsidiaries are required to make an annual written declaration that they are not aware of any corruption or bribery that transpired in the day-to-day operations of the Group.

Employees are regularly reminded that any suspicions of fraud or unethical behaviour can be reported to the chairperson of the Board or the Audit & Risk Committee chairperson. Such concerns can also be reported to the Group CEO and Group CFO.

The impact of Alaris' decisions on internal and external stakeholders is monitored on a constant basis and feedback is investigated and resolved where possible.

RISK

The Board is ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, it has delegated various functions to the Audit & Risk committee which amongst other things sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

Risks are assessed on an on-going basis by management and any significant changes are discussed. Pre-emptive decisions are taken when risks are identified to minimise the impact of these risk factors on the economic, social and environmental responsibilities of Alaris.

REMUNERATION

The Group's remuneration policy is in-line with Alaris' values and objectives. Target incentives, which are recommended by the Remuneration and Nomination Committee to the Board for approval, are in place to ensure that exceptional employees are rewarded for their efforts in a controlled and authorised manner.

The long-term portion of the remuneration policy is addressed via the Share Incentive Trust where share options are allocated to certain senior employees as a mechanism to align their interests with shareholders whilst retaining their services.

GOVERNANCE

The Company is committed to on-going and effective communication with stakeholders. It subscribes to a policy of sound corporate governance and open and timeous communication in line with JSE Listings Requirements.

OUR GOVERNANCE TEAM

| **CLIENT CENTRIC** | ACCOUNTABILITY | EXCELLENCE | INNOVATION | INTEGRITY |

1 - Coenraad Petrus Bester

2 - Juergen Dresel

3 - Pieter Nicolaas de Waal

4 - Richard Charles Willis

5 - Gisela Therese Heyman

6 - Andries Mellet

COENRAAD PETRUS BESTER (61)

BSc Eng (Elec) (UP) BSc Eng (Elec) Hons (Potch)
MBA (UP), OPM (Harvard Business School)
Independent Non-Executive Chairman
Appointed to the Board on 21 January 2004

Coen initially lectured in the faculty of Electronic Engineering at Potchefstroom University. From there he went on to become the founder and CEO of two companies. Following the sale of the second company to a listed entity, he founded BrainWorks Management in 1999. Amongst his responsibilities, he acts as mentor to a number of high-technology companies in the information, communications and electronics markets and serves on the boards of a number of such companies. Coen earned an Electronic Engineering Degree from the University of Pretoria and an Honours Degree in Electronic Engineering at the University of Potchefstroom. He completed an MBA at Pretoria University and an OPM course at Harvard Business School.

JUERGEN DRESEL (50)

Dipl.Ing. (TU Munich) MSc Eng (Elec) (Wits)
Chief Executive Officer
Appointed to the Board on 21 February 2000

Juergen completed his IT and Telecommunication studies with a Dipl. Ing degree at the Technical University of Munich, Germany in 1993. In 2000, he completed an MSc in electrical engineering at Wits University. Juergen started his engineering career with work that comprised antenna design and development in the frequency range from 10 kHz up to 6 GHz, antenna placement simulations, and project management. In 2005, Juergen took over the management of the defence section of Alaris Antennas where he concentrated his efforts on management and sales of large Defence-related projects.

PIETER NICOLAAS DE WAAL (42)

BScEng(Mech) (Stell) MBA (Navarre)
Non-Executive Director
Appointed to the Board on 8 April 2015
Resigned effective 17 October 2017

Nico began his career as an engineer with Baker Hughes Inc. (USA) in Scotland and the Middle East in the oil and gas exploration industry (1998-2000). He then specialised in strategy and operations work as a management consultant at McKinsey & Co. (2001-2007) and at SAB Miller (2008-2010). Nico joined the PSG Group in 2011 and is currently the Chief Executive Officer of PSG Alpha.

RICHARD CHARLES WILLIS (48)

CA (SA)
Independent Non - Executive Director
Appointed to the Board on 1 February 2015

Richard qualified as a Chartered Accountant in 1994 after having completed his articles at Deloitte. Since then Richard has occupied various positions, both locally and internationally, including chief operating officer of Standard Private Bank and Melville Douglas and financial director of Virgin Money South Africa. Currently Richard is chief operating officer at Clive Douglas Investments Proprietary Limited.

GISELA THERESE HEYMAN (38)

CA (SA)
Executive Director: Financial Director
Appointed to the Board on 1 June 2015

Gisela qualified as a Chartered Accountant in 2005 after completing her articles with Deloitte. She started her corporate career as group accountant with Datacentrix, a complete ICT systems integrator, listed on the JSE. She spent the last three of the seven years with Datacentrix as the Group Financial Manager in charge of the full financial function. Subsequently, she was appointed as Financial Director of G4S Secure Solutions, a multinational UK listed organisation in the security industry. Her responsibility spanned from finance with strict working capital management to IT – and ERP systems, legal, company secretarial, procurement and logistics. She brings with her experience in finance, information systems and operations.

ANDRIES MELLET (34)

CA (SA)
Non-Executive Director
Appointed to the Board as alternate director on 8 October 2015 and appointed as Board member on 17 October 2017

Andries qualified as a chartered accountant in 2010 after completing his articles with PWC and has been working for the PSG Group since 2010. Andries was Financial Director of mCubed Holdings Limited from October 2010 to February 2011 and Capevin Holdings Limited from April 2012 to November 2013. Andries is part of the PSG Alpha team that invested in Alaris in December 2013.

STRATEGIC REVIEW

Alaris Antennas' clients require products that are designed to their specifications, which are often integrated into systems offered by leading international system houses, and as such offer long-term annuity revenue opportunities. Alaris' vision is to be the global, world class trusted antenna and RF subsystem partner to its customers, and its mission is to deliver innovative, customised, high quality antenna and related RF product solutions to global RF system integrators speedily through technical and service excellence.

COJOT is a well-respected and long-established Finnish company that designs and develops omnidirectional VHF/UHF/SHF wideband antennas and accessories for mobile tactical communication, electronic warfare and spectrum monitoring applications. COJOT has established a first- class reputation for delivering field proven quality equipment on time. It is the expertise and experience in wideband antennas that has made COJOT a recognised and trusted source for supplying reliable and durable antenna equipment to some of the most demanding environments throughout the globe.

With communication needs intensifying, the requirement for wider bandwidth in both military and civilian RF systems is increasing. Motivated by this need, COJOT's years of design, development and manufacturing experience has enabled the company to offer the highest technological excellence to protect lives and property in the most hostile environments throughout the globe.

The Group is striving to ensure that it is recognised as the preferred supplier of innovative RF products both locally and internationally.

The Group and its employees are committed to act honestly, fairly, ethically and with integrity and to conduct themselves in a professional, courteous and respectful manner, as well as to create an environment of responsibility and accountability.

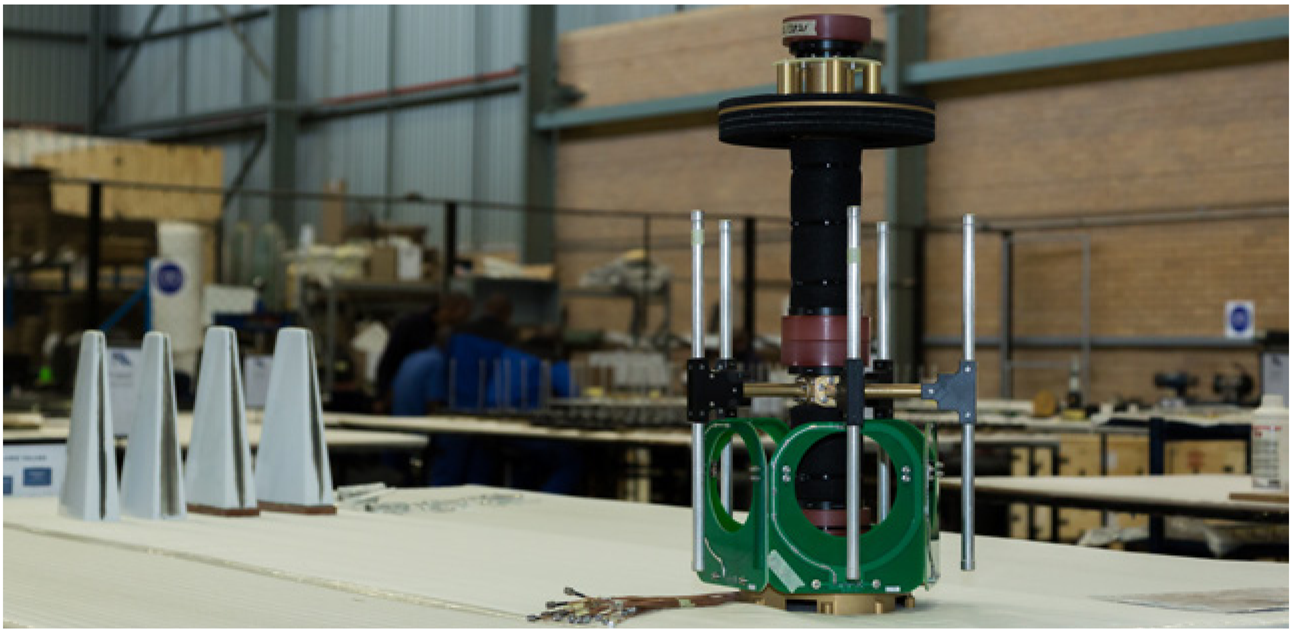
International acceptance and demand for our products is growing and we are developing a broader customer and product base.

Revenue from continuing operations increased by 21% from R132.1 million to R159.4 million during the past financial year. Revenue for Alaris Antennas was up 5% and profit after tax increased from R33.9m to R34.9 million, whilst COJOT contributed revenue of R36.3 million and profit after tax of R3.9 million. Total profit for the Group was R31.8 million, compared to a profit of R21.5 million in the comparative period.

A total of 40 million shares was repurchased as part of the Aucom disposal transaction and shares in issue reduced to 116.1 million at year end.

The Group is diversifying into different territories and entering into new market segments where the Company's core competencies find application. Management believes the business has significant potential for organic, as well as acquisitive growth where there is a complimentary opportunity in markets and products.

The Board is of the opinion that we can continue to grow through the investment in new products, mergers and acquisitions and the expansion of international market access and/or product areas.



The following strengths and opportunities will give us an advantage over our competitors and will give us the opportunity to grow:

STRENGTH Need to capitalise on	**WEAKNESS** Need to shore	**OPPORTUNITY** Need to invest in	**THREAT** Need to identify
JSE AltX listed since 2008 resulting in a steadily maturing organisation	Increase external communication	Territorial growth with focus on US, Middle East and Asia	Illiquid share
Strong Balance sheet and simplified financial reporting	No gearing on balance sheet	Improve proximity to clients	Disruptive technologies that could make our products obsolete
In-house specialised technical expertise, product customisation and own IP		Untapped application areas where expertise can be leveraged and expanded to higher frequency ranges	Company valuation reducing could impact on acquisition deal structures
Profit growth of Alaris Antennas		Innovative and new production processes and materials to be exploited	Economically unstable environment e.g. Currency fluctuations, downgrade in credit ratings and infrastructure breakdown in SA, e.g. supply chain, electricity, labour
International clients and territorial diversification		Cross selling and integration of COJOT, especially with new technologies like the MIDAS products	Skills shortage in the engineering field
Focus on strong client relationships and outward looking awareness		Communications market offers good opportunities	
Diverse product types servicing global RF system integrators		Improved access to international supply chain and outsource partners	

CHAIRPERSON'S REVIEW

"In the coming decades, the technologies driving the fourth industrial revolution will fundamentally transform the entire structure of the world economy, our communities and our human identities. These profound changes highlight the great responsibilities we face as a civilization. We have to make choices and contribute as citizens, government officials and business leaders to design systems that ensure benefits and risks are carefully weighed and new systems arise with common values and clear purposes in mind that benefit everyone on our planet."
- Marc R. Benioff, Chairman and CEO, Salesforce

The world has always been a complex place, but global events of the past year remind us that dealing with complexity is becoming the number one challenge of leadership. BREXIT, tangible effects of global warming, the Trump-factor and the rise of nationalism, are but a few of the reminders that the future will be quite different from the past. Technology is progressing at an astounding pace, and we find ourselves now officially in what is called the "4th Industrial Revolution." All this whilst most of us are still struggling to cope with mountains of emails and coming to grips with the productive use of social media. We have seen how the poor handling of a passenger can wipe millions from the value of a company within days and how, from nowhere, an unknown fellow can become the president of France.

This is the changing reality within which Alaris needs to find opportunity for products and services that are valued by customers. Invariably, our products are becoming more advanced and complex too. Success requires that we manage two, almost opposing concepts – on the one side thinking holistically, big picture, to ensure global relevance – and on the other side, being client-centric, identifying specific functionality to address client needs. What we have learned in the process is that we must simplify our business to create complex products. That we need to spend most of our energy working creatively on products and not on managing diverse businesses if we are to remain at the forefront of antenna technology.

We thus decided to exit the Aucom business to focus all our energy and resources to become a niche, global player in our field of business. The Board believes that this transaction will free up much needed capacity to enable future international growth and acquisitions aligned to the core strategy. Alaris Antennas and COJOT now form the basis of our platform for future growth.

Alaris Antennas has grown turnover and profits consistently since its establishment in 2005. We find much confidence, courage and hope in this year's results, showing a healthy growth in revenue from continuing operations. It confirms that we have the technology and products that are appreciated by our expanding client base. This year we developed 74 new products to add to our current portfolio.

The current focus is to ensure profitable organic growth of both Alaris Antennas and COJOT. International expansion also remains an important part of the global strategy and management will remain on the lookout for further opportunities to increase the global footprint, with specific focus on the United States.

It is an absolute pleasure to work with the Alaris Holdings Board. We engage in open, direct and honest debate, and always focus on the best interests of the Group. I want to congratulate the board and Group CEO, Juergen Dresel, on successfully completing the restructuring of the company into the streamlined operation it is today.

I believe that the Group is set for great things to come and that Alaris is heeding the call of Marc Benioff, to contribute to a better future for humanity. I proudly invite you to read our annual report and decide for yourself.

Coen Bester
Alaris Chairperson

CEO'S REVIEW

As pointed out by our chairperson, Coen Bester, we are living in visionless times, where an unexpected reversal of globalisation can be observed. Walls are being built, countries are breaking out of unions and nationalism is on the forefront. On the other hand, people wish to venture to Mars and save the planet by using more and more alternative energy for heating their homes, transport, etc. It appears that on the "technical front" the world remains somewhat united.

Hence it is no surprise that, during a recent strategy session, the Alaris senior management team has re-confirmed that and remains committed to the following 3 core strategic building blocks, which remain valid for moving the Alaris group forward into the future.

About 95% of the Group's revenue comes from export, by selling RF related products which are based on our own IP. As the organisation tends to be client centric, it will remain paramount for us to seek further global footprints through acquisitions. Aucom was not aligned to this strategy and hence the Board decided to dispose of it.

We are pleased to report that the continuing operations of the Group performed satisfactorily and is testament to its stability in the industry over the past financial year. Against the backdrop of a strong previous financial year and the strengthening of the South African Rand in this financial year revenue from continuing operations increased by 21% from R132.1 million to R159.4 million.

Alaris Antennas has grown turnover and profits consistently since its establishment in 2005. Organic growth is stimulated and achieved through understanding customers' needs and adding new innovative products to the portfolio. Alaris Antennas developed 74 new products to add to its portfolio during the financial year to support future growth. Further growth is achieved by adding distributors, agents and new system houses as clients. We are also diversifying territories and entering into new market segments where the company's core competencies find application. Management believes that the business has significant potential for organic growth, particularly in the USA, as 60% of the market served, is there. Alaris manufactures locally at our Centurion premises and sells specialised wideband antennas, as well as other related radio frequency products globally.

The value and location of opportunities we have been involved in this past financial year has increased in size and relate to a wider geographical diversity. This supports our strategy of global growth and diversifying our product portfolio. The business secured a large order in Europe for product deliveries over the next three years.

To ensure that the company remains agile and is able to adopt to our client's needs in a quick and responsive way as the business grows, we have implemented various measures to ensure that our multi-disciplinary teams are working on a common goal to deliver high quality products.

CEO'S REVIEW (continued)

COJOT, our Finnish based company in the Group, develops innovative wideband antennas to improve connectivity, coverage and competitiveness of radio equipment deployed to save lives and protect property. The team at COJOT has a product focused approach, where new product development is centred around the customer's needs. Sales are generated by the Company's sales team with the help of its channel partners. The organisation's efficiency is complemented by the partnership with contract manufacturers and a professional service provider network to enable sustainable growth.

With the integration of COJOT into the Group, we were able to expand our global footprint and the Company contributed revenue of R36.3 million and profit after tax of R 3.9 million. A €1 million order from Europe was delayed and only received in June 2017, resulting in a lower than expected performance for the financial year ended 30 June 2017. Management is confident that the new years' performance will be significantly better based on the confirmed order back log of €1.8 million.

Investment into an inhouse accounting function, further technical sales capability and a standardised ERP and CRM solution across the Group will enable transparency and cohesive interaction between the various teams globally.

THE GROUP MOVING FORWARD

A significant portion of the Group's performance is associated with long sales cycles and three to six months delivery timeframes. In order to mitigate this, the Group continues to expand its regional and product diversity to improve its proximity to clients, as well as meet clients' needs.

The focus is to ensure profitable organic growth of both Alaris Antennas and COJOT. Processes to capitalise on synergies between Alaris and COJOT, as well as cross-selling opportunities, will remain a priority. The two businesses are complimentary and the combined operations will allow existing customers to receive an improved service as well as an expanded product portfolio. Both companies are strongly focused on research and development and hold exploitable patented technologies, as witnessed in the registration of two more patents during the past financial year. We expect that the fostering of design innovation and the continued pursuit of novel technologies will be enhanced through the sharing of ideas and talent in both organisations.

The Group is a small player in a big market. Our stability is underpinned by 95% export based revenue to developed markets where we are able to be a price setter resulting in stable margins.

We have an established 15-year track record, selling into blue chip system houses. Based on this strong foundation, international expansion is an important part of the Group's global strategy and management will remain on the lookout for further opportunities to increase the global footprint with a specific focus on the United States.

THANK YOU

A big and sincere thank you to all Alaris employees for their dedication and contribution to our great business performance this year. You lived our values, worked as a team and showed commitment during challenging times. A big thank you to all our executives who have supported the business formidably. It is exciting to notice the closer co-operation between the employees in South Africa and Finland, adding to the diversification and European footprint, which is essential when being a global player. A heartfelt thank you to all our Board members whose invaluable input and support enabled the Group to conclude another successful year. The Board has been operating as a cohesive and effective team and for this I would like to voice my appreciation.

I would like to especially thank our shareholders (new and long-standing) for your trust and commitment to our Company. We are looking forward to a long-standing relationship and providing value to your investment. To our customers worldwide - thank you for your confidence in our Company, people, technologies and services.

We are excited and eagerly looking forward to the growth and opportunities lying ahead.

Jürgen Dresel
Group CEO

CORPORATE GOVERNANCE

The Board has led the Company in an ethical and responsible manner and remains committed to the principles of strategic direction, policy approval, oversight and accountability as detailed in the King IV Report. This process is overseen and reviewed by the Chairperson on an ongoing basis to ensure that the outcome of an ethical culture, good performance, effective control and, furthermore, that legitimacy with stakeholders is achieved by the organisation. The Board is satisfied that those principles contained in King IV and best practice recommendations which are applicable to the Group, have been complied with and will ensure continuous implementation and compliance in the new financial year, whilst taking into account the practicalities of the environment in which the Group operates, the financial cost of compliance and the need to take action as appropriate.

FINANCIAL STATEMENTS

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, the JSE Listings Requirements, as well as for such internal control as the directors deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

To enable the Board to fulfil its responsibilities, management sets standards and implements systems of internal control designed to provide certainty that assets are safeguarded, and that transactions are performed and recorded in accordance with the Company's policies and procedures. These standards and controls include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

BOARD OF DIRECTORS

Alaris retains a unitary Board structure. The Board consists of two executive directors, three non-executive directors (two of them being independent) and one alternate non-executive director. The non-executive directors are experienced professionals who make a significant contribution towards the Board's deliberations and decisions.

The Board continuously reviews the diversity of its members and likely succession requirements. In line with the amendments to the JSE Listings Requirements, the Board has adopted a gender diversity policy, in terms of which the Board's aim is to provide priority consideration to women for all vacant Board positions going forward.

The roles of the Chairperson and the Chief Executive Officer ("CEO") are separate with a clear division of responsibilities to ensure a balance of power and authority between them. The Board is of the opinion that this structure is effective and believes that an appropriate policy is in place to ensure that a balance of power and authority exists amongst directors, so that no one director has unfettered powers of decision-making. The Chairperson is an independent non-executive director who, together with the CEO, provides leadership and guidance to the Board and encourages proper deliberation on all matters requiring the Board's attention, while obtaining input from the other directors. The Board also has a policy detailing the procedures for appointments to the Board, which is assisted by the Remuneration and Nomination Committee. Such appointments to the Board are formal and transparent and a matter for the Board as a whole. The Board is responsible for effective control over the affairs of the Company, including strategic and policy decision-making, financial control, risk management, communication with stakeholders, internal controls and the asset management process. Although the Audit and Risk Committee is tasked with identifying, analysing and reporting on risk during the financial year, this was nevertheless part of the everyday function of the directors and was managed at Board level. Directors are entitled, in consultation with the Chairperson, to seek independent professional advice about the affairs of the Company, at the Company's expense.

BOARD AND BOARD COMMITTEE MEETINGS

The Board retains overall accountability for the day-to-day management and strategic direction of the Company, as well as attending to the legislative, regulatory and best practice requirements. The Board ensures that the solvency and liquidity of the Company is continuously monitored and that the Company's performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights.

The Board has delegated authority to the CEO and executive management to run the day-to-day affairs of the Company. Accountability to shareholders remains paramount in Board decisions, and this is balanced against the demands of the regulatory environment in which the Company operates and the concerns of its other stakeholders. To assist the Board in discharging its collective responsibility for corporate governance, Audit and Risk, Remuneration, and Social and Ethics Committees have been established, to which certain of the Board responsibilities have been delegated. Although the Board delegates certain functions to its committees, it retains ultimate responsibility for their activities.

MAIN ROLE AND RESPONSIBILITIES OF THE DIRECTORS

The Board has a formal charter setting out, *inter alia*, its composition, meeting frequency, and powers and responsibilities, particularly with regards to financial, statutory, administrative, regulatory and human resource matters. The charter sets out a clear division of responsibilities at Board level to ensure a balance of power and authority. The Board Charter includes a formal schedule of the matters it oversees, including reviewing and guiding corporate strategy, risk policies, annual budgets and business plans and monitoring corporate performance. The Board is satisfied that it has fulfilled its responsibilities in terms of the Charter for the period under review. The Charter is reviewed annually.

THE CHAIRPERSON

The Chairperson of the Board is an independent non-executive director. The roles of the Chairperson and the Chief Executive Officer remain separate. The Chairperson's performance is evaluated annually.

NON-EXECUTIVE DIRECTORS

The non-executive directors are not involved in the day-to-day business of the Company nor are they full-time salaried employees of the Company and/or any of its subsidiaries. All non-executive directors' appointments are formalised through letters of appointment. The non-executive directors enjoy no benefits from the Group for their services as directors, other than their fees and potential capital gains and dividends on their interests in ordinary shares.

INDEPENDENCE OF DIRECTORS

The independent non-executive directors are independent in terms of both King IV and the JSE Listings Requirements. None of these directors participate in the share incentive scheme.

In addition, the independent non-executive directors:

- Are not significant providers of financial capital, or ongoing funding to the Company or officers, employees or representatives of such providers of financial capital or funding;
- Do not participate in a share-based incentive scheme offered by the Company;
- Do not own securities in the Company of any material value to the personal wealth of such director;
- Have not been in the employ of the Company as an executive manager during the preceding three financial years and are not a related party to any executive manager of the Company;
- Have not been the designated external auditor responsible for performing the statutory audit for the Company, or a key member of the audit team of the external audit firm, during the preceding three financial years;
- Are not significant or ongoing professional advisers to the Company, other than as members of the Board;
- Are not members of the governing bodies or the executive management of any significant customers of, or suppliers to, the Company;
- Are not members of the governing bodies or the executive management of another organisation which is a related party to the Company; and
- Are not entitled to remuneration contingent on the performance of the Company.

EXECUTIVE DIRECTORS

The CEO's performance is evaluated annually by the Chairperson and the Remuneration and Nomination Committee members. The executive directors are individually mandated and are held accountable for:

- The implementation of the strategies and key policies determined by the Board;
- Managing and monitoring the business and affairs of the Company in accordance with approved business plans and budgets;
- Prioritising the allocation of capital and other resources; and
- Establishing the best management and operating practices.

CHIEF EXECUTIVE OFFICER AND DELEGATION OF AUTHORITY

The CEO is tasked with the running of the business and the implementation of policies and strategies approved and adopted by the Board. The governance and management function of the CEO is aligned with that of the Board. In the delegation of responsibilities, the CEO confers authority on management and is accountable for doing so. In this sense, the accountability of management is a direct reflection of the CEO's authority. Appropriate measures are in place and are communicated to management. Monitoring levels of authority are applied within the Group, particularly with regards to human resources, capital expenditure, procurement and contracts.

BOARD SELECTION, APPOINTMENT AND ROTATION

Directors are appointed by means of a transparent and formal procedure, governed by the Remuneration and Nomination Committee's terms of reference. The Remuneration and Nomination Committee is responsible for selecting and recommending the appointment of competent, qualified and experienced directors. The Board as a whole appoints directors, who are subject to an induction program. This process of the appointment is in line with the recommendations of King IV in that, when giving consideration to new appointments, the Board considers the need to invigorate its capabilities through the introduction of new expertise and perspectives, while retaining valuable knowledge, skills and experience and maintaining continuity.

In terms of Article 24.7 of the Company's Memorandum of Incorporation, a third of the directors retire by rotation annually. The names of the directors eligible for re-election are submitted at the annual general meeting, accompanied by appropriate biographical details, as set out in the integrated annual report.

All directors are subject to re-election by shareholders at the first opportunity after their initial appointment.

TRAINING AND UPDATING THE KNOWLEDGE OF DIRECTORS

Directors are supplied with the information necessary to discharge their responsibilities, individually and as a Board and in certain instances as Board committee members. All new directors are engaged in a formal orientation procedure. All directors have unhindered access to management, the Company Secretary and to any Company information (records, documents and property) which may in any way assist them in the responsible fulfilment of their duties. Directors are entitled to seek independent and professional advice relating to the affairs of the Company. The Company Secretary is responsible for providing the Chairperson and directors, both individually and collectively, with advice on corporate governance, compliance with legislation and the JSE Listings Requirements.

COMPANY SECRETARY

The Company Secretary, Merchantec Proprietary Limited represented by Nikita Brocco, plays a pivotal role in the functioning of the Board, by providing guidance to the Board in respect of the discharge of directors' duties and their responsibilities. All directors have unlimited access to the Company Secretary. As highlighted in the Board Charter, the Company Secretary assists the Board in meeting its fiduciary obligation to the shareholders. In this regard, the Company Secretary's tasks include: developing and implementing policies and processes regarding corporate governance matters, assessing Board membership needs, ensuring the Board is appropriately constituted and proposing director candidates.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The performance of the Company Secretary is formally assessed by the Board on an annual basis and, following this assessment, the Board is satisfied that the Company Secretary:

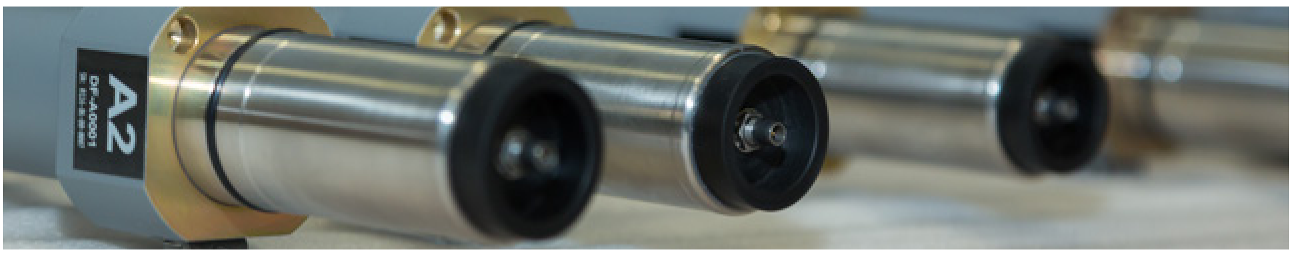
- is competent, suitably qualified and experienced;
- has the requisite skills, knowledge and experience to advise the Board on good governance; and
- has discharged its responsibilities for the period under review.

The Board further concluded that the Company Secretary is independent, in that no Merchantec employees are directors of the Company, nor are they directly or indirectly related to or connected to any of the directors.

COMMITTEE STRUCTURE

The directors have delegated specific functions to committees, to assist the Board in meeting their responsibilities. The Board has established standing committees in this regard. The Board committees are constituted with sufficient non-executive representation. The Board committees are subject to regular evaluation by the Board, to ascertain their level of performance and effectiveness.

The committees act in accordance with approved terms of reference, which are reviewed annually.



CORPORATE GOVERNANCE (continued)

GROUP EXECUTIVE COMMITTEE

Members of the Group executive committee		
J Dresel	Managing Director - Alaris Antennas and Group CEO	
GT Heyman	Group Financial Director	
JSV Joubert	Managing Director – Aucom	Resigned 31 May 2017
S Lentonen	Managing Director – COJOT	

The responsibilities of the Group executive committee include:

- Monitoring and managing risk;
- Developing and implementing the Group strategic plan;
- Developing human resources policies and practices;
- Developing budgets and monitoring expenditure;
- Monitoring operational performance against agreed targets; and
- Adhering to financial and capital management policies.

AUDIT AND RISK COMMITTEE

Members of the Audit and Risk committee		
RC Willis (Chairperson)	Independent Non-Executive Director	
CP Bester	Independent Non-Executive Director	
PN de Waal	Non-Executive Director	Resigned 17 October 2017
A Mellet	Non-Executive Director	Appointed 17 October 2017

The independent external auditors, the Designated Adviser, the Group CEO and the Group Financial Director attend the Committee meetings by invitation. In terms of the Companies Act, shareholders are required to elect the members of this Committee at each annual general meeting. The re-appointment of all members of this committee is subject to shareholders re-electing them as members of the Committee at the annual general meeting, to be held on 22 November 2017. The Committee is aware of the King IV- recommendation that there should be a minimum of three members, and that all members should be independent non-executive members and is striving to comply. The Company's external auditors attend meetings by invitation.

The Chairperson of the Board is currently a member of the Audit and Risk committee. The Chairman is one of the two Independent non-executives of the Board and to achieve a majority of independent representation at the committee level this has been agreed by the Board at this point in time and will be reassessed at the time when a further independent non-executive is appointed to the Board. The Audit and Risk Committee is satisfied that the auditor is independent. An assessment of the effectiveness of the Chief Financial Officer function is performed annually by the Audit and Risk Committee.

ROLE OF THE COMMITTEE

The Audit and Risk Committee should meet at least twice a year and its role is to assist the Board by performing an objective and independent review of the Company's finance and accounting control mechanisms.

The Company maintains accounting and administrative control systems required for the current levels of operations. The Audit and Risk Committee is a statutory committee, outlined by the Companies Act and the recommendations set out in King IV. The Audit and Risk Committee has an independent role, and is accountable to the Board. The Committee's responsibilities include statutory duties prescribed by the Companies Act, activities recommended by King IV, and responsibilities assigned by the Board and the JSE Listings Requirements.

The Audit and Risk Committee is responsible for considering the following:

- The effectiveness of the Company's information systems and other systems of internal control;
- The effectiveness of the audit function;
- The reports of the external auditors;
- The integrated annual report and specifically the annual financial statements included therein;
- The accounting policies of the Company and any proposed revisions thereto;
- The external audit findings, reports, fees and the approval thereof; and
- The compliance with applicable legislation and requirements of regulatory authorities.

Evaluation of the Annual Financial Statements

The Committee also comments on the financial statements, the accounting practices and the internal financial controls of the Company. The Committee stays abreast of current and emerging trends in accounting standards.

The Committee also reviews and discusses the financial statements with the independent external auditors and the Financial Director. The external auditor has unrestricted access to the Group's records and management.

The Committee has considered the JSE's most recent report back on proactive monitoring of financial statements, and where necessary those of previous periods, and is satisfied that the Company has taken appropriate action where necessary to respond to the findings as highlighted in the JSE report when preparing the annual financial statements for the year-ended 30 June 2017.

Expertise and experience of the Financial Director and finance function

The Audit and Risk Committee has executed its responsibility in terms of paragraph 3.84(h) of the JSE Listings Requirements, and confirms that it is satisfied with the expertise and experience of the Financial Director, Mrs GT Heyman. The Committee is satisfied with the overall expertise and adequacy of resources in the finance function, as well as the experience of the senior members of management responsible for it.

Internal audit

The internal audit function is an integral part of the corporate governance regime. The primary goal of the internal audit is to evaluate the Company's risk management, internal control and corporate governance processes, and to ensure that they are adequate and functioning correctly. The Audit and Risk Committee is currently satisfied that the group finance department performs the internal audit function. The Board also considers internal controls. While considering the information and explanations given by management, as well as discussions held with the external auditor on audit results, the Committee is of the opinion that the system of internal financial controls are effective, and form a basis for the preparation of reliable financial statements.

Risk management

The Board is responsible for the risk management process, whilst management is accountable to the Board for designing, implementing and monitoring the process of risk management in the day-to-day activities of the Group.

REMUNERATION AND NOMINATION COMMITTEE

Members of the Remuneration and Nomination committee	
PN de Waal (Chairperson)	Non-Executive Director
CP Bester	Independent Non-Executive Director

The Remuneration and Nomination committees have been merged into one committee. The Committee is aware of the recommendations of King IV pertaining to its composition and is striving to comply by adding a third independent non-executive member. The Board believes that the current structure of the Committee still provides the required independent views in terms of the responsibilities associated with both the Nomination and the Remuneration Committees. The nomination component of the Remuneration and Nomination Committee meeting is chaired by the chairperson of the Board in accordance with the JSE Listings Requirements.

The Committee acts in accordance with approved terms of reference. The purpose of the Committee is mainly to ensure that appointments to the Board are formal and transparent. Furthermore, the Committee is to provide guidance to the Board to ensure that the Group's directors and senior executives are fairly rewarded for their individual contributions to the Group's overall performance. The Committee has a duty to demonstrate to all stakeholders that the remuneration of senior executive members of the Group is set by a Committee of Board members, who have no personal interest in the outcomes of their decisions and who will give due regard to the interests of all stakeholders and to the financial and commercial health of the Group. Details of the directors' remuneration are set out on note 26 of the financial statements. The Company upholds and supports the objectives of the Employment Equity Act (Act 55 of 1998). Shares in the Group held by the Share Incentive Trust are classified as treasury shares. During September 2016, share options were granted to certain employees as an incentive. Refer to note 13 of the consolidated financial statements for detail of the movement in authorised and issued ordinary share capital and refer to note 14 for more detail on the share option scheme. The Company's employment policies are designed to provide equal opportunities, without discrimination, to every employee.

Remuneration policy and implementation report

Alaris' remuneration strategy aims to create sustainable shareholder value by motivating and retaining competent leaders. We aim to attract knowledgeable engineers to grow the intellectual property value of the Group and to invent new ideas. Primary objectives include the need to have credible remuneration policies that enhance key business goals, address needs across the different cultures and drive performance.

Overview of remuneration

Non-executive directors receive monthly or quarterly remuneration as opposed to a fee per meeting. This recognises the responsibility of directors for the efficient control of the Company. A premium is payable to the chairperson of the Board, as well as to the chairpersons of the subcommittees. Remuneration is reviewed annually and is not linked to the Company's share price. The Board annually recommends remuneration of non-executive directors for approval by shareholders in advance.

In remunerating executives, the Group aims to motivate and retain competent and committed leaders in its drive to create sustainable shareholder value. Remuneration is linked to key performance indicators and a portion of the remuneration is not guaranteed.

Alaris structures packages on a total cost-to-company basis. The salary structures of the staff can consist of up to three components:

1. Monthly guaranteed basic portion and for sales staff a variable commission portion based on sales invoiced.

2. Annual incentive bonus - most senior staff qualify for individual and/or team performance incentives. The incentive scheme allows for a bonus based on a scale against which growth performance is measured. An over-performance bonus is applicable if the hurdle rate of 20% growth in normalised earnings is exceeded. 70% of the bonus is based on financial performance and 30% on the key performance indicators of the individuals that are agreed annually.

3. Share incentive scheme - Alaris share options are allocated to key executives and senior staff members to incentivise and retain such employees. The options vest over a period of 5 years.

The Group also has an employee benefit scheme which offers pension fund, death and disability and medical aid benefits. This allows individuals to structure their own pension, medical aid and other benefits. Remuneration packages are reviewed annually and are monitored and compared with reported figures for similar positions to ensure they are fair and sensible.

SHARE-BASED INCENTIVE PLANS

A share incentive scheme for key executives and senior staff members was approved by the Board to incentivise individuals on a share based plan. The key executives and senior staff members are those involved in creating shareholder value. The intention is to promote the effective participation in the Group of key employees and to incentivise and retain such employees.

Senior management can use their discretion to propose relevant staff members for consideration. Pre-approval is at the Group CEO's discretion and final approval is obtained from the Remuneration committee if within approved maximum thresholds.

The board approves the allocation of options on a factor based on the strategic importance of the individual to the Company. These allocations are managed by the Board within the mandate of the Trust Deed as approved by the shareholders.

IMPLEMENTATION REPORT

The remuneration policy has been implemented as per above. Refer to note 26 for the detailed disclosure of director's emoluments.

The Board will interact with shareholders subsequent to the annual general meeting, in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised.

NON-EXECUTIVE DIRECTORS' TERMS OF APPOINTMENT

APPOINTMENTS TO THE BOARD

The Board has a policy on procedures for the appointment and orientation of directors. The Remuneration and Nomination Committee periodically assesses the skills represented on the Board by non-executive directors and determines whether these meet the Company's needs. Directors are invited to give their input in identifying potential candidates.

DEALINGS IN SECURITIES

In respect of dealings in securities of the Company as applies to the directors and the Company Secretary, the Chairperson is required to authorise such dealings in securities, prior to deals being executed. An independent non-executive director is required to authorise the Chairperson's dealings in securities, prior to deals being executed. All the directors and the Company Secretary are aware of the legislation regulating insider trading.

A record of dealings by directors and the Company Secretary is retained by the Company Secretary. In accordance with the JSE Listings Requirements, the Company's directors and Company Secretary are prohibited from dealing in securities during closed periods.

ANALYSIS OF SHAREHOLDING

Please see the shareholders analysis report on page 34.

CORPORATE GOVERNANCE (continued)

SOCIAL AND ETHICS COMMITTEE

Members of the Social and Ethics Committee		
RC Willis (Chairperson)	Independent Non-Executive Director	
GT Heyman	Group Financial Director	Appointed 1 December 2016
JSV Joubert	Managing Director - Aucom	Appointed 1 December 2016; Resigned 31 May 2017
R Ramnath-Kowlesar	Director of Alaris Antennas	

The responsibilities of the Social and Ethics Committee include monitoring the Company's activities, with regards to any relevant legislation, other legal requirements or prevailing codes of best practices, regarding matters relating to:

- Social and economic development, The Employment Equity Act; and the Broad-Based Black Economic Empowerment Act;
- Good corporate citizenship; and
- Promotion of equality, prevention of unfair discrimination and reduction of corruption.

The BBBEE strategy is highlighted as a risk to the local business, since Alaris Antennas and Alaris Holdings are non-compliant. The Committee and Board have approved the implementation of a plan where the local business will be reported on and rated separately in line with local business requirements. The rating is planned for shortly after the 30 June 2018 financial year end and will be based on the reported financial statements. The aim is to achieve a level 7 for the aforementioned reporting period.

ETHICS AND VALUES

All employees of the Company are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner, which in all circumstances are above reproach. All executive directors of the Group and its subsidiaries are required to sign an anti-bribery declaration on an annual basis confirming that they are not aware of any circumstances which the Group participated in that would bring our ethics and values in dispute.

EMPLOYEES

Alaris' employment policies allow for individuals, including individuals from historically disadvantaged backgrounds, to apply for bursaries. Employees are encouraged to improve their personal qualifications and several previously disadvantaged employees are currently on study courses financed by Alaris. We also promote a healthy, secure, participative social and working environment for our staff and business associates.

SOCIAL RESPONSIBILITY

The Group believes that each citizen has a responsibility towards society and the environment. The Group therefore encourages employee participation through involvement by either giving in time or by donating towards social development issues.

"What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead."

– ***Nelson Mandela***

This year, the Group decided to contribute to and address two of the major concerns in South Africa, namely poverty and hunger. The employees contributed loaves of bread and their time to make sandwiches for the street children in Hillbrow. The sandwiches were contributed to the Soul Provider, a non-profit and registered organisation involved with various charity projects in the Johannesburg city centre.

Nearly 800 sandwiches were made and delivered to a variety of beneficiaries.

The Alaris Group believes that the economic growth and the social conditions of a country are directly linked to the level of education in that country. The Board and its committees therefore decided to focus their corporate social investment projects on education related strategies. Due to the industry in which the Alaris Group operates, we will channel our efforts towards STEM (Science, Technology, Engineering and Mathematics) education.

According to research, engineers are in short supply, not only in South Africa, but also in Europe and the USA. The Government of South Africa has listed engineering skills as part of the scarce skills in the country and requested priority attention to developing these skills. STEM skills are a necessity for every engineer, and we therefore will drive our efforts mainly towards addressing the needs of these skills in South Africa and Finland.

POLITICAL DONATIONS AND AFFILIATIONS

As a proudly South African entity, the Alaris Group supports the democratic system in South Africa and does not donate or contribute to individual political parties.

GOING CONCERN

The Board is satisfied that the Group has adequate resources to continue operating for the next twelve months and into the foreseeable future. The financial statements presented have been prepared on a going concern basis. The Audit and Risk Committee evaluates the Group's going concern status at each meeting and reports the findings to the Board.

INVESTOR RELATIONS AND COMMUNICATION WITH STAKEHOLDERS

The Group communicates with shareholders, investors, analysts and regulators on a constant basis and public presentations are held when needed. Alaris believes that such communication is essential and endeavours to keep an open-door policy with relevant stakeholders. Alaris outsourced the investor relations function to a company who assists with the stakeholder relations and Group communications.

DESIGNATED ADVISER

Merchantec Capital

TRANSFER SECRETARY

Computershare Investor Services Proprietary Limited

Shareholders can address shareholding related queries to: PO Box 61051, Marshalltown, South Africa, 2107.






CORPORATE GOVERNANCE (continued)

SUMMARY OF MEETINGS HELD

	Board meetings	Audit & Risk committee	Remuneration & nomination commitee	Social & Ethics committee
CP Bester	4/5	4/5	2/2	-
RC Willis	5/5	5/5	-	2/2
PN De Waal *	5/5	5/5	2/2	-
J Dresel	5/5	5/5 invitee	2/2 invitee	2/2 invitee
GT Heyman	5/5	5/5 invitee	2/2 invitee	2/2
JSV Joubert **	4/5	4/5 invitee	-	1/2

* Resigned on 17 October 2017
** Resigned on 31 May 2017

CHANGES DURING THE YEAR:

Jacobus Villiers Joubert, resigned as a director of Alaris Holdings Limited after the finalisation of the Aucom disposal with effect from 31 May 2017.

Heinz Maria Weilert was appointed as a director of the Board on 17 February 2017 for purposes of the disposal of Aucom and resigned from this position with effect from 31 May 2017.

Pieter Nicolaas de Waal ("Nico") resigned as a non-executive director of Alaris with effect from 17 October 2017.

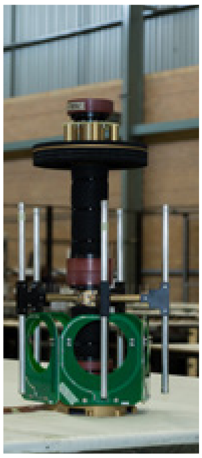
Andries Mellet, who was an alternate director to Nico, has been appointed as a non-executive director, in his place and stead with effect from 17 October 2017.

EVALUATION OF THE BOARD

Every year, Alaris evaluates the effectiveness and performance of the Board, its committees and individual directors. During 2017, Acorim Proprietary Limited (Acorim) conducted the assessment. No major concerns were raised by any director in respect of the functioning of the Board or any of its committees. The 2017 assessment monitored the Board's effectiveness as a team, how well the committees function and discharge their duties as stated in the respective charters/terms of reference, the commitment and performance of individuals and trends in responses to questions.

The results identified that the Board was effective and performed well. Sufficient evidence of effectiveness exists, while some aspects meet the Board's expectations and others may require development.

The Board specifically considers the independence of directors and their commitments when appointed, and also annually. This evaluation is done to determine whether a director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily.





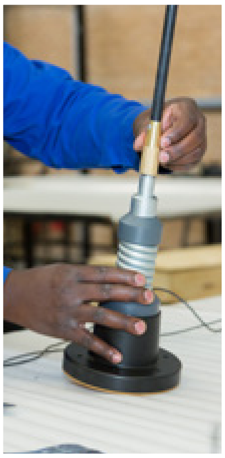


Photo by: Riaan Ferreira   *Photo by: Thabang Hlaka*

KING IV APPLICATION

In recognition of the need to conduct the affairs of the Group according to the highest standards of corporate governance and in the interests of investor protection, the Group's commitment to good governance is formalised in charters, policies and operating procedures. The Board is committed to achieving high standards of corporate governance, business integrity and ethics across all its activities.

KING IV PRINCIPLE AND RECOMMENDED PRACTISE	ALARIS APPLICATION OF RECOMMENDED PRACTISE
The Board should serve as the focal point and custodian of corporate governance in the organisation	✓ The Board serves as the focal point and custodian of corporate governance by setting Alaris' strategic direction and approving policies that give effect to the direction provided. ✓ Its role and responsibilities and the way that it executes its duties and decision-making are documented and are set out in the Board charter, which is regularly reviewed to ensure its effectiveness.
The Board should ensure that in its composition it comprises a balance of the skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities	✓ The Board, with the assistance of the Remuneration and Nomination Committee, considers, on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. ✓ The Board consists of a majority of Non-Executive Directors, most of whom are independent. ✓ The appointment of executive directors ensures that the Board has sufficient interaction with management. ✓ The Board has implemented a Gender Diversity Policy as recommended by King IV and plans to implement a Race Diversity Policy as recommended by the JSE Listings Requirements.
The Board should ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties	✓ The composition of the Committees of the Board and the distribution of authority between the Chairperson and other directors is balanced and does not lead to instances where individual(s) dominate decision-making within governance structures or where undue dependency is caused.
The Board should ensure that the evaluation of its own performance and that of its committees, its chairperson and its individual members, supports continued improvement in its performance and effectiveness	✓ Formal external assessments are conducted in respect of the performance of the Board, its Directors, the Company Secretary and the Chief Executive on an annual basis.
The Board should ensure that the appointment of, and delegation to, competent executive management contributes to an effective arrangement by which authority and responsibilities are exercised	✓ A detailed Delegation of Authority Policy and Framework indicates matters reserved for the Board and those delegated to management. ✓ The Board is satisfied that Alaris is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. ✓ A Succession Plan for the chief executive is in place. ✓ The Company Secretary is as an independent entity appointed on the basis of its requisite knowledge, experience and stature and who's performance is assessed annually. The Company Secretary signs off on disclosure of membership of Board structures, the number of meetings of each and attendance at each meeting.

RISK MANAGEMENT REPORT

Our ability to deliver on Alaris' business strategy depends on us being able to take calculated risks in a manner that does not jeopardise the interests of our stakeholders. Alaris has established a culture of managing existing, emerging or unpredictable risks. Various embedded processes and structures are in place to address our risk management needs. We have adopted an enterprise-wide approach to risk management, with every identified material risk included in a structured and systematic process of risk management.

The Board is responsible for the governance of risk by ensuring that an appropriate system and process of risk management is implemented and maintained. The Board has appointed and is assisted by the Audit & Risk Committee which operates in terms of a formal charter. Its duties and activities include considering the risk management policy and plan, reviewing the effectiveness of the risk management activities, identifying the key risks facing the Group and ensuring appropriate responses to address these key risks.

Risks are tabled and quantified according to a risk matrix at each of the Audit and Risk Committee meetings as well as the Board meetings, and at its meeting of 14 June 2017, main risks considered were the following:

RISKS	IMPACT	PROBABILITY	MITIGATION ACTIONS	RESIDUAL RISK
Loss of key personnel	MAJOR	POSSIBLE	Share incentive scheme - 1st tranche exercise period extended to 1 year to accommodate the decrease in share price after Aucom transaction. Proposed increases based on benchmarking of salaries to retain key staff.	MAJOR
BBBEE strategy for local business	MODERATE	LIKELY	Gap analyses performed. Plan approved by Board for implementation. Rerating expected after 2018 FY.	MODERATE
Lumpy nature of underlying businesses could result in inconsistent earnings growth	MAJOR	POSSIBLE	Actively drive & monitor rolling order forecast. Add more companies and territories into the structure to diversify risk.	MODERATE
South Africa becoming expensive, risky location, volatile exchange rate	MAJOR	POSSIBLE	Evaluate international opportunities, maintain export revenue, foreign outsource options. Manage hedging of exchange rate exposure within R5million mandate.	MODERATE
Union action by production staff due to wage negotiations	MAJOR	LIKELY	Strike risk due to negotiations. Action plans in place to mitigate.	MODERATE

- Events that may lead to risks materialising are identified within the generic risk framework.
- Events are then assessed to quantify probability and potential financial impact on the business if they materialise.
- Preventative actions (probability) and contingent actions (impact) are identified to mitigate these, as well as critical action plans (to be managed at the executive committee level).
- The overall assessment of risk is compared against the level of risk deemed acceptable by the Group.

The executive committee reports to the Audit and Risk Committee on overall risk processes, identified events and mitigation action plans. The Audit and Risk Committee, in turn, presents to the Board an overview of these potential risks, processes and critical actions.

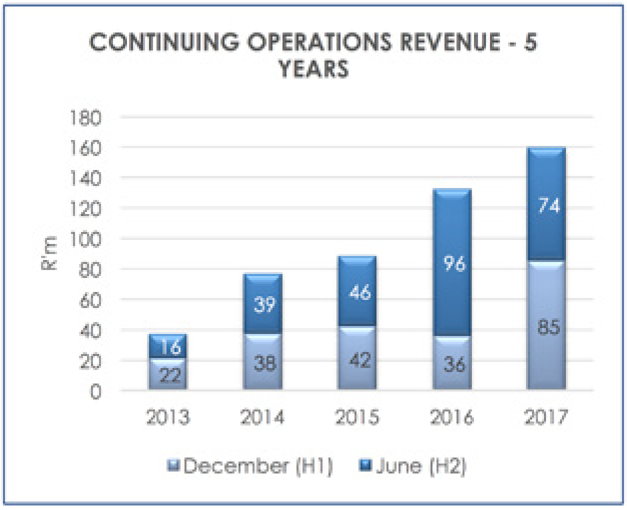
The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

FINANCIAL DIRECTOR'S REVIEW

"Simplicity is the ultimate form of sophistication"
- Leonardo da Vinci

Based on the above definition, sophistication seems to have eluded Alaris from a financial reporting perspective over the past few years. This was mainly due to disposals and acquisitions with complex earnout mechanisms impacting the financial reporting.

The disposal of Aucom in the current year leaves the business with a simpler business structure and cleaner balance sheet where the underlying entities are aligned with the Group's strategy. This combined with the historical growth patterns of the continuing operations, enables the strategy to improve our global footprint though organic and acquisitive growth.



OVERVIEW OF THE YEAR

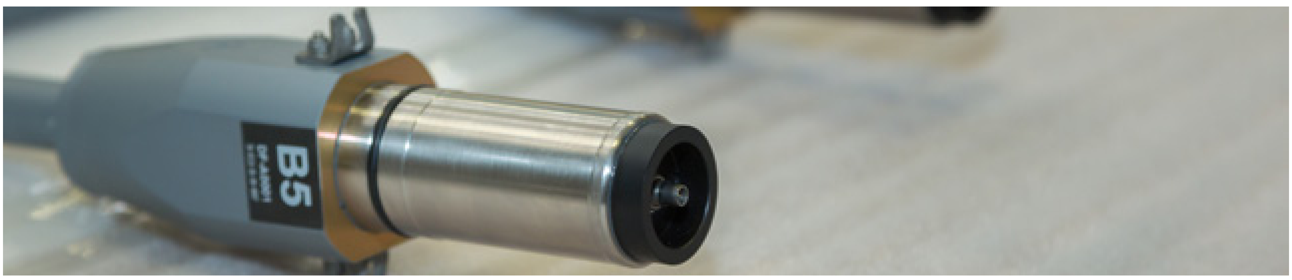
Revenue from continuing operations increased by 21% from R132.1 million to R159.4 million.

The continuing operations performed well for the year ended 30 June 2017, with profit growth of 423% from R4.4 million to R23.0 million.

The normalised earnings of continuing operations was impacted by a net foreign exchange loss of R3.8 million (2016: net foreign exchange gain of R9.1 million). Foreign currency gains and losses are treated as part of normalised earnings given the nature of the Group, consistent with the prior year. The impact of foreign exchange is managed by hedging net gains / losses within the approved Board mandate of R5 million.

The profits of the Group as a whole were negatively impacted by the Aucom division's low revenues and profits compared to the previous year.

The Group's cash position decreased by R29.4 million to R65.1 million, owing to the sale of the Aucom business where a cash balance of R13.0 million was sold and the repurchase of shares as part of the Aucom disposal transaction to the value of R20 million.



| CLIENT CENTRIC | ACCOUNTABILITY | **EXCELLENCE** | INNOVATION | INTEGRITY |

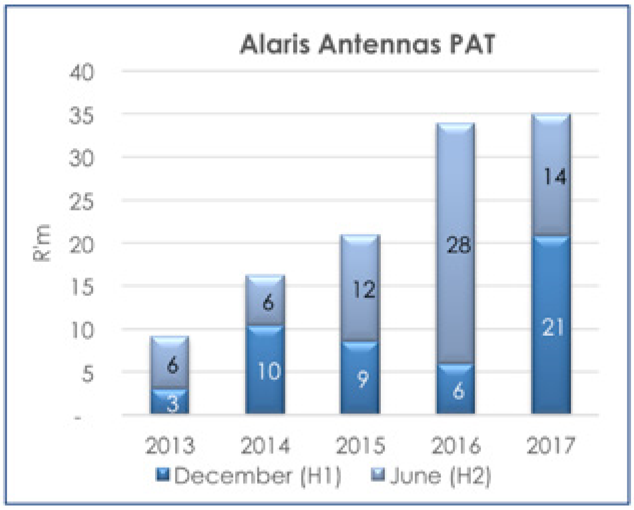
FINANCIAL DIRECTOR'S REVIEW (continued)

ALARIS ANTENNAS

Alaris Antennas increased revenue by 5% from R117.3 million to R123.0 million and profit after tax ("PAT") increased by 3% from R33.9 million to R34.9 million.

We are pleased with this performance given the strengthening of the Rand and the delay in several new orders, which were secured post year end.

The Group has employed highly skilled staff in specialised areas to support the Company's client-centric approach. A matrix structure approach to project management was implemented to ensure multi-disciplinary teams working together successfully on a common goal, which is to deliver high quality products to our customers within committed timelines. This improves our operational scalability and ensures we remain agile and are able to adapt to our client's needs as the business grows.

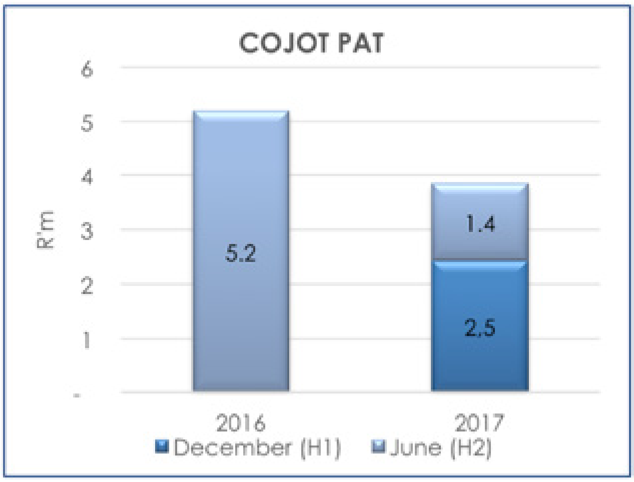


COJOT

COJOT contributed revenue of R36.3 million and PAT of R3.9 million. In the comparative period, the business was consolidated for two months from 1 May 2016 (effective date of acquisition) with revenue of R14.8 million and PAT of R5.2 million. The profit margins for those two months was significantly higher owing to a few larger orders being delivered. This resulted in a high cover on the fixed overhead costs of the two months.

A €1 million order from Europe was delayed and only received in June 2017, resulting in a lower than expected performance for the financial year ended 30 June 2017. This order will be delivered in the first half of the 2018 financial year.

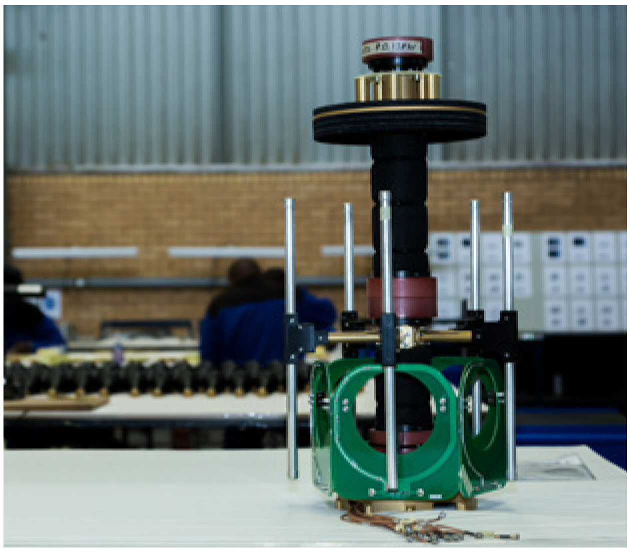
The integration of the sales capability and product portfolio of the COJOT and Alaris teams resulted in cross-selling of R2 million.



CORPORATE AND CONSOLIDATION

This division includes the costs associated with being a listed entity as well as costs of running the shared services, an example of which is the centralised treasury function, where foreign currency hedging is managed. The following are the main costs before tax, included in this segment:

- Net foreign exchange losses of R3.8 million (2016: R9.1 million foreign exchange gains);
- Funding cost on the PSG preference shares of R5.0 million;
- Employee costs, cost of the share incentive option scheme for Group executives and board fees of R6.8 million;
- Legal and consulting fees including the costs to be listed on the JSE, advisory fees and group audit fees of R2.0 million; and
- A contingent consideration adjustment of R22.5 million in the 2016 financial year.



AUCOM DISPOSAL AND DISCONTINUED OPERATION

Alaris sold its entire 100% shareholding in Aucom to the management team of the subsidiary ("Aucom management") in exchange for 30 000 000 Alaris shares held by Aucom management at a consideration of R2.00 per share ("Disposal and Repurchase").

In addition, the Company repurchased a further 10 000 000 Alaris shares from Aucom management at a consideration of R2.00 per share ("Specific Repurchase").

The shares in issue (less treasury shares) reduced to 116 million at year end. The full upside of this reduction will only reflect in the Earnings per share calculation of the coming year, owing to the timing of the transaction.

Aucom contributed revenue of R69.3 million in the ten months ended 30 April 2017 compared to R116.4 million in the previous financial year. Delays in the recovery of long outstanding trade receivables balances resulted in an impairment allowance of R6.5 million being raised and profits of R0.3 million reported for the period. The business was sold in May 2017.

GLOBAL SYSTEMS AND PROCESSES

An increased global footprint requires us to look into ways to further improve transparency and availability of information across the entities. COJOT has invested in an in-house accounting function and implemented the standardised Group ERP system subsequent to year end. The Group is planning to implement a CRM solution across the Group, which will enhance cohesive interaction between the various teams, transparency of the business and value-added information about our customers.

HUMAN RESOURCES

Adding a global business into the Group also required us to look into ways to harmonise remuneration policies and incentive schemes where possible. A competency framework was implemented to assist with recruiting the right people for our teams to enable us to deliver quality service globally.

Based on feedback from the staff survey and interactive sessions with staff, specific actions have been implemented to do more regular training and improve communication throughout the Group.

PSG PREFERENCE SHARE REPAYMENT

The Preference Share agreement with PSG Alpha Investments Proprietary ("PSG Alpha") expired on 3 July 2017. PSG Alpha has not converted the Preference Shares given that the Alaris share price at the redemption date was lower than the conversion price of R2.50. Accordingly, the total consideration of R51 million was repaid on 3 July 2017. This has a positive impact on the business by not resulting in further dilution of shares in issue. We are also pleased that PSG Alpha remains a key shareholder with a 25% stake in the business. The Group has obtained indicative terms from two local banks who have shown interest in financing future acquisitions to improve our global footprint.

DIVIDENDS VS GROWTH

One of the growth strategies of the Group is to establish an international footprint through acquisitions. Due to this, Alaris is conserving its cash resources and therefore the Board has decided against declaring a dividend for the financial year ended 30 June 2017.

We look forward to an exciting future where we use the simplified structures and financial reporting as a springboard for growth.

Gisela Heyman
Group CFO

SUMMARY FINANCIAL INFORMATION

ALARIS HOLDINGS LIMITED AND ITS SUBSIDIARIES
5 YEAR FINANCIAL REVIEW - TOTAL OPERATIONS

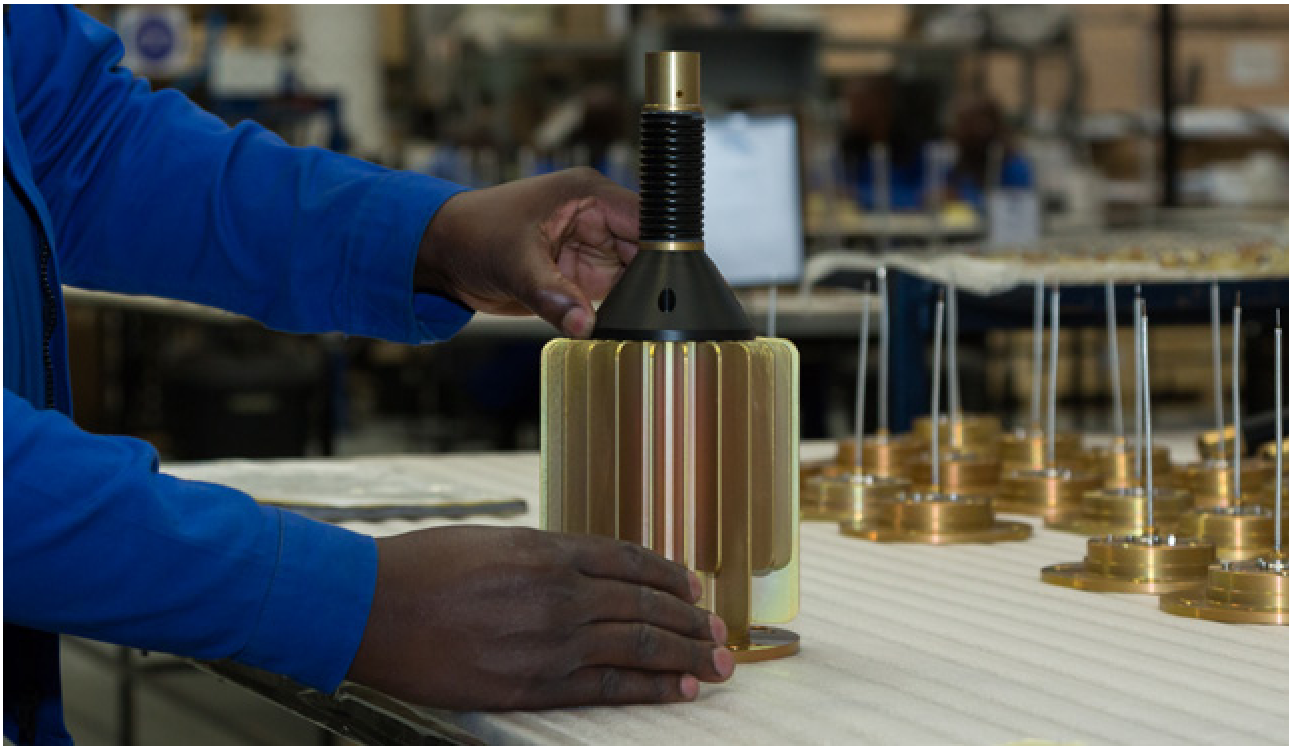
The below historical numbers are affected by the following transactions during these five years:

- African Union Communications ("Aucom") acquisition was consolidated into the Group from February 2014. The acquisition included an earnout mechanism that resulted in complex accounting treatment with non-recurring adjustments to profits over the three year earn-out period.
- Compart disposal transaction was effective December 2014.
- COJOT acquisition was consolidated into the Group from May 2016.
- Aucom disposal was effective May 2017.

Continuing operations as reported in the financial statements should be used as the baseline for the future.

	June 2017	June 2016	June 2015	June 2014	June 2013
Revenue (R'000)	228 658	248 499	218 223	132 126	89 743
Operating EBITDA (R'000)	42 154	75 349	25 007	3 553	14 551
Trading Operating Profit / Loss (R'000)	36 070	67 557	10 431	(6 935)	8 607
Profit / Loss after tax (R'000)	31 822	21 491	(5 124)	(97 754)	6 960
Total Assets (R'000)	155 752	277 837	205 018	239 513	64 504
Cash holdings (R'000)	65 083	94 481	74 386	85 871	14 402
HEPS (cents)	14.61	13.47	15.22	(1.83)	7.41
EPS (cents)	20.66	13.47	(2.91)	(66.24)	7.41
NAV per share (cents)	67.03	84.52	71.97	89.55	51.76
Tangible NAV per share (cents)	34.92	43.68	35.94	43.50	36.88
Actual number of shares in issue (less treasury shares)	116 116 771	158 116 771	160 241 950	174 087 720	93 951 053
Number of employees at year end	116	136	105	140	108

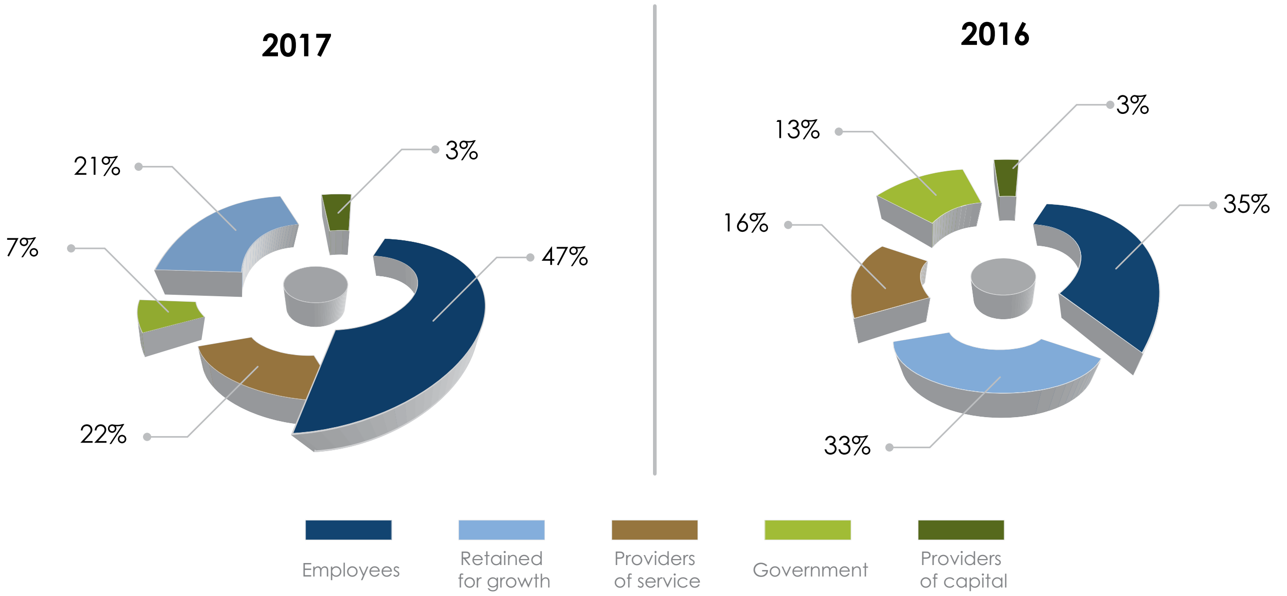
EBITDA: Earnings before interest, taxation, depreciation and amortisation
HEPS: Headline earnings per share
EPS: Earnings per share
NAV: Net asset value



| CLIENT CENTRIC | ACCOUNTABILITY | **EXCELLENCE** | INNOVATION | INTEGRITY |

CONSOLIDATED VALUE ADDED STATEMENT

R'000	June 2017	June 2016	June 2015	June 2014	June 2013
Revenue	228 658	248 499	218 223	13 2126	89 743
Net cost of raw materials, goods and services	(90 853)	(111 395)	(118 171)	(61 989)	(30 010)
Wealth created by trading operations	137 805	137 104	100 052	70 137	59 733
Other income	295	18 131	898	1 061	985
Finance income	1 320	1 532	3 413	1 014	488
Total value created	**139 420**	**156 767**	**104 362**	**72 212**	**61 206**
Distributed as follows					
Employees					
Salaries and other employee benefits	**65 140**	**54 039**	**54 643**	**43 706**	**36 597**
Providers of capital					
Finance cost	**4 940**	**5 211**	**4 851**	**162**	**58**
Providers of services					
General operating expenses	**30 806**	**25 850**	**20 769**	**23 938**	**9 570**
Government					
South African current tax	**9 822**	**20 181**	**7 258**	**(3 375)**	**277**
Retained for growth	**28 712**	**51 486**	**16 842**	**7 781**	**14 704**
Amortisation of intangible assets	3 081	5 190	8 931	8 818	6 403
Depreciation on property, plant and equipment	3 003	2 601	1 898	1 671	1 341
Net profit after dividend	22 628	43 695	6 013	(2 708)	6 960
	139 420	**156 767**	**104 362**	**72 212**	**61 206**



EMPOWERMENT

The BBBEE strategy is highlighted as a risk to the local business, since Alaris Antennas and Alaris Holdings were not rated in the current year and the certificate of Alaris Antennas has expired. The strategy of Alaris Antennas Proprietary Limited is being revised by taking into account the new defence codes. The Committee and the Board have approved the implementation of a plan where the local business will be reported on and rated separately in line with local business requirements. The rating is planned for shortly after the 30 June 2018 financial year end and will be based on the reported financial statements. The indication is that a level 7 is achievable for the aforementioned reporting period.

SHAREHOLDER ANALYSIS

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000 shares	467	34.34%	204 993	0.17%
1 001 – 10 000 shares	427	31.40%	1 999 366	1.66%
10 001 – 50 000 shares	341	25.07%	7 724 944	6.41%
50 001 – 100 000 shares	68	5.00%	4 893 781	4.06%
100 001 – 1 000 000 shares	45	3.31%	11 408 925	9.47%
1 000 001 shares and over	12	0.88%	94 272 721	78.23%
Totals	1 360	100.00%	120 504 730	100.00%
Public/non-public shareholders				
Non-public shareholders				
Directors and associates	8	0.59%	54 326 228	45.08%
Share trust	1	0.07%	4 387 959	3.64%
Public shareholders	1 351	99.34%	61 790 543	51.28%
Totals	1 360	100.00%	120 504 730	100.00%

Directors and associates				2017		2016	
PSG ALPHA	*	Associated Holding (PN De Waal)	Indirect	30 815 237	25.57%	30 815 237	19.20%
J DRESEL	**	Executive Director	Direct	8 171 151	6.78%	8 171 151	5.09%
CP BESTER	**	Non-Executive Director	Direct	100 000	0.08%	100 000	0.06%
GT HEYMAN	**	Executive Director	Direct	4 775	0.00%	4 775	0.00%
E VALKEASUO	**	Director Subsidiary COJOT	Director	732 000	0.61%	-	-
THE MAS TRUST (Villiers Joubert)	*	Director Aucom	Indirect	13 363 226	11.09%	33 865 876	21.10%
T RASHAMA	**	Associate of Aucom	Direct	515 940	0.43%	15 350 000	9.56%
R RASHAMA	**	Director Aucom	Direct	623 899	0.52%	8 123 899	5.06%
				54 326 228	45.08%	96 430 938	60.08%
		* Non-Beneficial	** Beneficial				

Beneficial shareholders holding 5% or more						
PSG ALPHA	*	Associated Holding (PSG)	30 815 237	25.57%	30 815 237	18.95%
ANDRIES PETRUS CRONJE FOURIE TRUST	*	Previous CEO (APC Fourie)	18 285 580	15.17%	19 340 186	11.89%
THE MAS TRUST	*	Director Subsidiary Aucom	13 363 226	11.09%	33 865 876	20.83%
DR DC NITCH	**	Founder investor	9 741 631	8.08%	9 834 098	6.05%
J DRESEL	**	Executive Director	8 171 151	6.78%	8 136 726	5.00%
R RASHAMA	**	Director Aucom	623 899	0.52%	8 123 899	5.00%
T RASHAMA	**	Associate Aucom	515 940	0.43%	15 350 000	9.44%
			81 516 664	67.64%	125 466 022	77.16%

* Non-Beneficial ** Beneficial

DIRECTORS' INTERESTS IN SECURITIES

No securities have been furnished by Alaris or its subsidiaries for the benefit of any director (other than above) or any other associate of any director.

Share options have been allocated to certain directors of the Company under the rules of the share incentive scheme. These options will vest equally in year 2,3,4 and 5 following the allocation:

		Number of shares Tranche 1	Number of shares Tranche 2	Number of shares Total
J DRESEL	Executive Director	3 800 000	-	3 800 000
GT HEYMAN	Executive Director	500 000	500 000	1 000 000
S LENTONEN	Executive Director – COJOT	-	600 000	600 000

Refer to note 14 - Share based payments, for details of the scheme.

No changes have occurred in the directors' interests between 30 June 2017 and the date of approval of this integrated annual report.

ASSURANCE

INTRODUCTION

In respect of the level of assurance on information included in the integrated annual report and annual financial statements as set out below, the Audit and Risk committee ensures that a combined assurance model is applied to and provides a co-ordinated approach to all assurance activities. The level of assurance obtained in the integrated annual report was approved by the Audit and Risk Committee and the Audit and Risk Committee will continue to evaluate the level of assurance obtained taking into account the factors and risks identified that may impact on the integrity of the integrated annual report and regulatory requirements.

FINANCIAL INFORMATION

Our consolidated financial statements were audited by our external auditor, KPMG Inc.

NON-FINANCIAL INFORMATION: SUSTAINABILITY

No assurance was obtained on our sustainability measures. The Audit and Risk committee reviewed the disclosure of sustainability issues that may be commented on in the integrated annual report to ensure that it is reliable and does not conflict with the financial information and concluded that no additional external assurance is required on material sustainability issues.

NON-FINANCIAL INFORMATION: B-BBEE

No assurance was obtained on our Broad-Based Black Economic Empowerment information for 2017. The Board approved the implementation of a plan with the aim to achieve a level 7 after the 2018 financial year.

Photo by: Vernon Davids

General Information

Country of incorporation and domicile
South Africa

Nature of business and principal activities
The Group is engaged in the manufacturing and selling of specialised broadband antennas as well as other related radio frequency products.

Directors
CP Bester* (Chairperson)
PN de Waal@
J Dresel # (CEO)
A Mellet
RC Willis*
GT Heyman (Financial Director)

*Independent
Non-executive
#German
@ Resigned on 17 October 2017

Registered office
1 Travertine Avenue
N1 Business Park
Centurion
0157

Postal address
Private Bag X4
The Reeds
Pretoria
0061

Bankers
Standard Bank

Auditors
KPMG Inc.
Chartered Accountants (S.A.)
Registered Auditor

Company Secretary
Merchantec Proprietary Limited

Company registration number
1997/011142/06

Level of assurance
These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer
The consolidated annual financial statements were independently compiled by Gisela Heyman, Group CFO, CA(SA).

Published
19 September 2017

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

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Audit Committee Report	39
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Consolidated Statement of Financial Position*	47
Consolidated Statement of Profit or Loss and Other Comprehensive Income*	48
Consolidated Statement of Changes in Equity*	49
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*These comprise of the financial statements

Audit Committee Report

Members of the Audit and Risk Committee
RC Willis (Chairman),
CP Bester
PN de Waal

This report, of the Audit and Risk committee, is presented to shareholders in compliance with the requirements of the Companies Act. The independent external auditors and the designated advisors attend the meetings as and when required and J Dresel, Group CEO, and G Heyman, Group Financial Director, attend the meetings by invitation.

In terms of the Companies Act 2008, shareholders are required to elect the members of this committee at each annual general meeting. At the annual general meeting in November 2016, RC Willis, CP Bester and PN de Waal were re-elected as members of this committee.

Meetings held by the Audit and Risk Committee
The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act as amended by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors and the designated advisors. The chairman of the committee reports to the board after every Audit and Risk committee meeting held.

The committee's role
The Audit and Risk committee was established as a statutory committee as outlined by the Companies Act and the recommendations set out in the King Report with additional functions allocated to it by the Board. Its role is to assist the Board in discharging its duties relating to the safe guarding of assets, reviewing the operating systems and control processes and the preparation of accurate financial reporting and statements in compliance with all legal requirements and accounting standards. The committee does not assume any management functions or assume any management responsibilities. The Audit and Risk committee has an independent role and is accountable to the Board and Shareholders.

External auditor independence
The committee, under section 90 of the Companies Act, has to consider the independence of the external auditors, as well as nominate a registered auditor for appointment by the Company. The committee is mandated to ensure that the appointment of the auditor complies with the provisions of the Companies Act, and any other legislation relating to the appointment of auditors. The committee was satisfied with the independence of the external auditors and it has recommended the reappointment of KPMG Inc. as the independent registered audit firm. The individual registered auditor was NH Southon. It was confirmed that the audit firm, and the designated auditor, are accredited as appearing on the JSE list of accredited auditors.

The committee determines and approves the level of fees paid to the auditor as well as the terms of engagement. During the external audit evaluation process, the committee considered various criteria including audit planning, technical abilities, audit processes, quality control, business insight, independence and other relevant factors.

Non-Audit Services
The committee determines the nature and extent of any non-audit services that the auditor may provide to the Company. The non-audit related services provided were a SENS and Circular review of the accounting treatment of the African Union Communications Proprietary Limited disposal. KPMG also assisted with the Section 11D application to the Department of Trade and Industry for tax incentives in respect of research and development.

Evaluation of the consolidated annual financial statements
As part of its report to the Board, the committee commented on the consolidated annual financial statements, the accounting practices and the internal financial controls of the Company. The committee stays abreast of current and emerging trends in accounting standards.

The committee confirms that they have reviewed and discussed the consolidated annual financial statements with the independent external auditors and financial director. The external auditor has unrestricted access to the Company and its subsidiaries' records and management. The auditor furnishes a written report to the committee on significant findings arising from the annual audit and is able to raise matters of concern directly with the chairman of the committee. There were no limitations imposed on the scope of the external audit.

The committee has reviewed the consolidated and separate annual financial statements of the Company, and is satisfied that they comply with International Financial Reporting Standards and the Companies Act of South Africa.

Audit Committee Report

The committee did not receive any concerns or complaints, within or outside the Company, relating to the accounting practices of the Company, the content or auditing of the Company's financial statements, the internal financial controls of the Company, or any related matter.

Expertise and experience of the financial director and finance function
The audit committee has executed its responsibility in terms of paragraph 3.84(g) of the JSE Listings Requirements, and confirms that it is satisfied with the expertise and experience of the financial director. The committee is satisfied with the overall expertise and adequacy of resources in the finance function, as well as the experience of the senior members of management responsible for it.

Internal audit
The internal audit function is an integral part of the corporate governance regime. The primary goal of the internal audit is to evaluate the company's risk management, internal control and corporate governance processes, and to ensure that they are adequate and functioning correctly.

The position of the Audit and Risk committee was that the internal audit function would be performed by the Group finance department. The Board, as a whole, also considers internal controls. While considering the information and explanations given by management, as well as discussions held with the external auditor on audit results, the committee is of the opinion that the system of internal financial controls is effective, and forms a basis for the preparation of reliable financial statements.

Risk management
The Board is responsible for the risk management process, whilst management is accountable to the Board for designing, implementing and monitoring the process of risk management in the day-to-day activities of the Group.

Responsibilities of the Audit and Risk committee:

- Review risk management policies and processes
- Review risk philosophy, strategies and policies;
- Ensure risk management is integrated into business operations;
- Ensure management considers and implements appropriate risk responses;
- Evaluate the basis and adequacy of insurance cover;
- Ensure internal audit is aligned with risk management processes;
- Identify emerging areas of risk;
- Ensure compliance with legislation, regulation and governance codes, including the King Report, and
- Identify areas of governance non-compliance and propose remedial action after considering the risk matrix, the committee has nothing material to report.

Consolidated annual financial statements
Following the review of the consolidated annual financial statements the Audit and Risk committee recommends Board approval thereof.

Approval of the Audit and Risk committee report
The committee confirms that it has functioned in accordance with its terms of reference for the 2017 financial year, and that its report to shareholders has been approved by the Board.

RC Willis
Chairman Audit and Risk Committee

19 September 2017

Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Alaris Holdings Limited, comprising the consolidated statement of financial position at 30 June 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the accounting policies and notes to the financial statements, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the Directors' Report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

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

Approval of consolidated annual financial statements
The consolidated annual financial statements of Alaris Holdings Limited, as identified in the first paragraph, were approved by the Board on 19 September 2017 and signed by

J Dresel
Authorised Director

GT Heyman
Authorised Director

Certificate by Company Secretary

In our capacity as Company Secretary, we hereby confirm, in terms of section 88(2)(e) of the Companies Act, 2008 (Act No.71 of 2008), as amended ("the Act"), that for the year ended 30 June 2017, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of the Companies Act and that all such returns are true, correct and up to date.

Merchantec Proprietary Limited
Company secretary

19 September 2017

Directors' Report

The directors submit their report on the consolidated annual financial statements of Alaris Holdings Limited and its subsidiaries for the year ended 30 June 2017.

1. **Incorporation**
The Company was incorporated on 11 July 1997 and obtained its certificate to commence business on the same day.

2. **Nature of business and principal activities**
The Group designs and manufactures specialised antennas and other related radio frequency (RF) products.

3. **Review of financial results and activities**
The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited ("JSE Listings Requirements"). The accounting policies have been applied consistently compared to the prior year except where new Standards were adopted.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated financial statements. The operating results and state of affairs of the Group are fully set out and in our opinion do not require any further comment.

4. **Share capital**

	2017	2016	2017	2016
	R'000	R'000	Number of shares	
Issued shares - ordinary shares (pre treasury shares)	6	8	120 504 730	160 504 730
Issued shares - preference shares	-	889	20 400 000	20 400 000

Refer to note 13 of the consolidated annual financial statements for detail of the movement in authorised and issued ordinary share capital. Refer to note 16 of the consolidated annual financial statements for more detail on the issued preference shares.

5. **Accounting policies**
The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa and are consistent with those applied in the prior year. For new policies adopted during the current year refer to note 2.1 of the financial statements.

6. **Dividends**
The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may decide not to declare dividends.

Given the current strategy regarding mergers and acquisitions, the Board believes that it would be more appropriate for the Group to conserve cash to ensure that the Group is best placed to implement its growth strategy. Therefore, the Board has resolved not to declare a dividend for the financial year ended 30 June 2017 (2016: R0).

7. **Directorate**
The directors of the Company during the year and in office at the date of this report are as follows:

Directors	Office	Designation	Changes
CP Bester	Chairperson	Independent non-executive	
PN de Waal	Non-independent	Non-executive	
J Dresel (German)	Group CEO	Executive	
A Mellet	Alternate non-independent	Non-executive	
GT Heyman	Group CFO and Financial Director	Executive	
RC Willis	Independent	Non-executive	
JSV Joubert	Non-independent	Executive	Resigned 31 May 2017
HM Weilert	Independent	Non-executive	Appointed 17 February 2017; Resigned 31 May 2017

8. **Interests in subsidiaries and trusts**

Name of subsidiary/trust	2017 %	2016 %
African Union Communications Proprietary Limited	-	100
Alaris Holdings Limited Share Incentive Trust	100	100
Alaris Antennas Proprietary Limited	100	100
Alaris Investment Holdings UK Limited	100	100
COJOT Oy	100	100

Alaris Holdings Limited disposed of its entire shareholding in and loan claims against Africa Union Communications Proprietary Limited ("Aucom") in exchange for the repurchase of an aggregate of 30 000 000 Alaris Holdings shares from the Aucom management.

9. **Borrowing powers**
In terms of the Memorandum of Incorporation of the Company, the borrowing powers of the Company are unlimited and the directors may exercise all powers to borrow money as they consider appropriate. However all borrowings by the Group are subject to board approval as required by the board delegation of authority.

10. **Events after the reporting period**
In terms of the Preference Share Subscription Agreement, Alaris Holdings Limited shall be obliged to compulsory redeem the Preference Shares on the first business day following the third anniversary of the Effective Date, being 3 July 2017 ("Redemption Date") to the extent that the Preference Shares have not been converted by PSG Alpha Investments Proprietary Limited prior to the Redemption Date.

Shareholders are advised that PSG Alpha Investments Proprietary Limited has not converted the Preference Shares given that the Alaris share price at the Redemption date was lower than the conversion price of the Preference Shares. Accordingly the total consideration of R51 million was repaid on 3 July 2017.

Other than the above, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. **Going concern**
The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments, will occur in the ordinary course of business.

12. **Auditors**
KPMG Inc. continued in office as auditors for the Group for 2017 in accordance with section 90 of the Companies Act.

13. **Company secretary**
The secretary of the Company is Merchantec Proprietary Limited.

Postal address: PO Box 41480, Craighall, 2024

Business address: 2nd Floor, North Block, Hyde Park Office Tower, Corner 6th Rd and Jan Smuts Ave, Hyde Park, 2196

The Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and such returns are true, correct and up to date.

Independent Auditor's Report

To the shareholders of Alaris Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Alaris Holdings Limited and its subsidiaries ("the Group") set out on pages 47 to 93, which comprise the consolidated statement of financial position at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the accounting policies and notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alaris Holdings Limited at 30 June 2017, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Disposal of African Union Communications Proprietary Limited ("Aucom")

Refer to note 7 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Alaris Holdings Limited sold its 100% shareholding in Aucom to the management team ("Aucom management") of Aucom in exchange for 30 million Alaris shares that was held by Aucom management at a consideration of R2 per share, amounting to R60 million. Aucom has been classified as a discontinued operation in these consolidated financial statements. This transaction required the determination of an effective date for the recognition of the disposal of the discontinued operation and the determination of the fair values of the assets and liabilities relating to this discontinued operation. The Directors of Alaris Holdings Limited involved their tax experts in determining the tax implications of this transaction. Due to the nature of the transaction, this was considered a significant event during the current financial year which resulted in significant work effort from the audit team, and as a result the disposal of Aucom was considered a key audit matter.	Our audit work included the following procedures : - Assessed the directors' determination of the effective date of the disposal of Aucom by involving our specialists. Our specialists assessed the conditions precedent in the disposal agreement to determine whether the effective date was appropriate; - Performed substantive procedures to assess whether all of the assets and liabilities, relating to this discontinued operation has been recognised at the lower of fair value and fair value less cost to sell at the effective date in accordance with the applicable financial reporting framework; - Recalculated the profit on the disposal of Aucom included in the consolidated financial statements; - Used our tax specialists to assess the reasonableness of the tax opinions prepared by the directors' tax experts applied on the disposal of Aucom; - Assessed the accounting treatment applied by the directors in respect of the 30 million shares repurchased at R2 each by applying the principles as set out in the disposal agreement; and - Assessed the appropriateness of the disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.

Other information

Directors are responsible for the other information. The other information comprises the Audit Committee Report, the Certificate by the Company Secretary and the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report and the Integrated Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities in the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette No.39475 of 4 December 2015, we report that KPMG Inc. has been the auditor of Alaris Holdings Limited for 11 years.

KPMG Inc.
Registered Auditor

Per NH Southon
Chartered Accountant (SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road
Parktown

Johannesburg
19 September 2017

Consolidated Statement of Financial Position

at 30 June

R'000	Note	2017	2016
Assets			
Non-Current Assets			
Plant and equipment	4	5 793	7 904
Goodwill	5	24 902	47 101
Intangible assets	6	12 381	17 486
Deferred tax assets	8	3 252	5 420
		46 328	**77 911**
Current Assets			
Other financial assets		-	6 969
Inventories	10	13 592	18 040
Current tax receivable		2 967	1 617
Trade and other receivables	11	27 782	78 819
Cash and cash equivalents	12	65 083	94 481
		109 424	**199 926**
Total Assets		**155 752**	**277 837**
Equity and Liabilities			
Equity			
Equity attributable to owners of the Company			
Share capital	13	6	8
Preference share capital	16	-	889
Share premium	13	202 051	226 369
Share-based payment reserve	14	4 721	2 430
Foreign currency translation reserve		(5 021)	(299)
Accumulated loss		(123 927)	(95 751)
Total equity		**77 830**	**133 646**
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities	8	1 073	2 941
Loans and borrowings	15	361	581
Preference share liability	16	-	50 111
		1 434	**53 633**
Current Liabilities			
Loans and borrowings	15	93	153
Preference share liability	16	51 000	-
Trade and other payables	17	25 395	84 924
Current tax payable		-	3 264
Other financial liabilities		-	2 217
		76 488	**90 558**
Total Liabilities		**77 922**	**144 191**
Total Equity and Liabilities		**155 752**	**277 837**
Number of ordinary shares legally in issue, less treasury shares		116 116 771	158 116 771
Net asset value per ordinary share (cents)		67.03	84.52
Net tangible asset value per ordinary share (cents)		34.92	43.68

Net asset value is calculated by dividing total equity, by the number of ordinary shares legally in issue, being number of shares in issue less treasury shares.

Net tangible asset value is calculated by dividing total equity less contingent consideration asset, less goodwill and intangible assets, by the same number of ordinary shares legally in issue.

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June

R'000	Note	2017	Re-presented 2016
Continuing Operations			
Revenue	19	159 350	132 116
Cost of sales		(44 042)	(35 057)
Gross profit		**115 308**	**97 059**
Other income		212	14 628
Operating expenses		(78 204)	(67 396)
Trading operating profit	20	**37 316**	**44 291**
Finance income	21	740	836
Contingent consideration asset		-	(22 206)
Finance costs	22	(4 907)	(4 953)
Profit before taxation		33 149	17 968
Taxation	23	(10 147)	(13 578)
Profit from continuing operations		**23 002**	**4 390**
Discontinued Operations	7		
Revenue	19	69 308	116 383
Cost of sales		(46 811)	(76 338)
Gross profit		**22 497**	**40 045**
Other income		83	3 503
Operating expenses		(23 826)	(20 282)
Trading operating (loss)/profit	20	**(1 246)**	**23 266**
Finance income	21	580	696
Profit on disposal of discontinued operation	7	9 194	-
Finance costs	22	(33)	(258)
Profit before taxation		**8 495**	**23 704**
Taxation	23	325	(6 603)
Profit from discontinued operations		**8 820**	**17 101**
Profit for the year		**31 822**	**21 491**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserve		**(4 722)**	**(299)**
Gross amount		(6 560)	(299)
Taxation		1 838	-
Total comprehensive income		**27 100**	**21 192**
Weighted average number of ordinary shares in issue		153 985 264	159 539 913
Weighted average number of diluted ordinary shares in issue		174 385 264	179 939 913
Total operations - Basic earnings per ordinary share (cents)	24	20.66	13.47
Total operations - Diluted basic earnings per ordinary share (cents)	24	21.09	14.59
Total operations - Headline earnings per ordinary share (cents)	24	14.61	13.47
Total operations - Diluted headline earnings per ordinary share (cents)	24	15.75	14.59
Total operations - Normalised earnings per ordinary share (cents)	25	15.22	19.74
Continuing operations - Basic earnings per ordinary share (cents)	24	14.94	2.75
Continuing operations - Diluted basic earnings per ordinary share (cents)	24	16.03	5.08
Continuing operations - Headline earnings per ordinary share (cents)	24	14.94	2.75
Continuing operations - Diluted headline earnings per ordinary share (cents)	24	16.03	5.08
Continuing operations - Normalised earnings per ordinary share (cents)	25	15.22	19.74

Consolidated Statement Of Changes In Equity

for the year ended 30 June

R'000	Note	Share capital and preference shares	Share premium	Share based payment reserve	Accumu-lated loss	Foreign currency translation reserve	Total equity
Balance at 01 July 2015		**897**	**231 265**	**406**	**(117 242)**	**-**	**115 326**
Total comprehensive income for the year:		-	-	-	21 491	(299)	21 192
- Profit for the year		-	-	-	21 491	-	21 491
- Foreign currency translation reserve		-	-	-	-	(299)	(299)
Shares repurchased - Poynting Empowerment Trust		-	(904)	-	-	-	(904)
Share-based payment - option charge		-	-	2 024	-	-	2 024
Movement in treasury shares		-	(3 992)	-	-	-	(3 992)
Balance at 30 June 2016		**897**	**226 369**	**2 430**	**(95 751)**	**(299)**	**133 646**
Total comprehensive income for the year:		-	-	-	31 822	(4 722)	27 100
- Profit for the year		-	-	-	31 822	-	31 822
- Foreign currency translation reserve		-	-	-	-	(4 722)	(4 722)
Reallocation of preference shares in anticipation of settlement	16	(889)	-	-	-	-	(889)
Share-based payment - option charge	14	-	-	2 291	-	-	2 291
Share repurchased- Aucom disposal	7	(1)	-	-	(59 998)	-	(59 999)
Specific repurchase	13	(1)	(20 000)	-	-	-	(20 001)
Movement in treasury shares	13	-	(4 318)	-	-	-	(4 318)
Balance at 30 June 2017		**6**	**202 051**	**4 721**	**(123 927)**	**(5 021)**	**77 830**

Consolidated Statement of Cash Flows
for the year ended 30 June

R'000	Note	2017	2016
Cash flows from operating activities			
Cash generated from operations	27	32 381	80 610
Finance income on cash and cash equivalents	21	1 115	1 532
Finance cost	22	(4 940)	(5 211)
Tax paid	28	(15 265)	(22 754)
Net cash from operating activities		**13 291**	**54 177**
Cash flows from investing activities			
Additions to plant and equipment	4	(2 523)	(3 170)
Proceeds on disposal of plant and equipment		40	-
Repurchase of Shares – Poynting Empowerment shares		-	(904)
Movement in treasury shares – Share Incentive Scheme		(4 318)	(3 992)
Additions to intangible assets	6	(3 145)	(2 157)
Disposal/acquisition of a subsidiary	7	(13 016)	(25 596)
Net cash used in investing activities		**(22 962)**	**(35 819)**
Cash flows from financing activities			
Repurchase and cancellation of shares in issue - Aucom transaction		(20 000)	-
Movement in loans and borrowings		305	638
Net cash (used in)/from financing activities		**(19 695)**	**638**
Net (decrease)/increase in cash and cash equivalents for the year		(29 366)	18 996
Cash and cash equivalents at beginning of the year		94 481	74 386
Effect of exchange rate movement on cash balances		(32)	1 099
Total cash and cash equivalents at end of the year	12	**65 083**	**94 481**

1. Presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE Limited. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

The financial statements of the Company are presented separately from the consolidated financial statements and have been approved by the directors. The separate company financial statements are available on request at the registered office of the Company.

These accounting policies are consistent with the previous period, except for new standards and interpretations, effective and adopted in the current year as presented in note 2.1.

The consolidated financial statements were authorised for issue by the Board on 19 September 2017.

1.1 Reporting entity

Alaris Holdings Limited ("the Company") is a company domiciled in South Africa. The address of the Company's registered office is 1 Travertine Avenue, N1 Business Park, Centurion, 0157. The consolidated financial statements for the year ended 30 June 2017 comprise the company and all its subsidiaries (together referred to as "the Group" and individually as "Group entities").

All information has been presented in South African Rand which is the Group's functional currency. Amounts have been rounded to the nearest R1 000.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets acquired, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of assets or liabilities which arise as a result of the contingent consideration are recognised in profit or loss and are not affected against goodwill.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements, whose classification remains as per their inception date.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously in other comprehensive income or equity and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest at fair value and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is assessed for impairment on an annual basis.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

1.1 Reporting entity (continued)
Consolidation
Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are consolidated until the date that control over the subsidiary ceases.

On acquisition of an entity which is controlled by the Group, the Group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for asssets classified as held-for-sale, which are recognised at fair value less costs to sell.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Foreign operations

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Net investment in foreign subsidiaries

Loans receivable from a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future forms parts of the Company's net investment in that foreign subsidiary.

Loans receivable that forms part of the net investment in a foreign subsidiary is included as part of investment in the statement of financial position.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements and form assumptions that affect the reported amounts of the assets, liabilities, reported revenue and costs during the periods presented therein, and the disclosure of contingent assets and liabilities at the reporting date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future and the resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial results of the financial position reported in the future periods are discussed below.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

1.2 Significant judgements and sources of estimation uncertainty (continued)

The gross carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Impairments
An asset is impaired when its carrying amount exceeds its recoverable amount. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually while other assets are tested if there is an indication that they may be impaired. The assessment of recoverable amounts involves the application of judgement relating to the calculation of value-in-use, which is based on cash flow projections, variations in the amount and timing of these cash flows and the discount rate used to determine the present value of those future cash flows.

These are assessed for each cash-generating unit to which goodwill is attributed or for the cash-generating unit or asset where indicators of impairment have been assessed. See note 5 for significant assumptions on value-in-use for goodwill.

Taxation
Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Plant and equipment
Cost of plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add or replace a part of it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

Costs include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, as well as capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Day-to-day expenses incurred on plant and equipment are expensed directly in profit or loss for the period.

Depreciation of plant and equipment
Items of plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

1.3 Plant and equipment (continued)

These following useful lives have been applied in the current and prior periods.

Item	Average useful life
Plant and machinery	5 years
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	5 years
IT equipment	5 years
Computer software	2 – 3 years
Leasehold improvements	5 years
Production tooling	5 years
Other plant and equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation commences when an asset is available for use. Depreciation is charged so as to write off the depreciable amount of items to their residual values, over the estimated useful lives using a method that reflects the pattern in which the asset's future economic benefit is expected to be consumed by the Group. Depreciation ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised.

Derecognition of plant and equipment

Derecognition occurs when an item of plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

When a decision is made by the directors that an item of property, plant and equipment will be disposed of, and the requirements of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are met, then those specific assets will be presented separately in the statement of financial position. The assets are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets ceases.

1.4 Intangible assets

An intangible asset is recognised when all of the following are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when all the following are met:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are technical, financial and other resources available in order to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

1.4 Intangible assets

The intangible assets consist of the customer relationships, development expenditure incurred for models, designs and prototypes that are considered to possess the ability to ensure a future economic benefit, on a long-term basis in the future. This development expenditure could be measured reliably.

Development costs, mainly consisting of staff remuneration, are capitalised as incurred. Amortisation of intangible assets commences once the close out of the projects is completed.

Intangible assets are subsequently measured at cost less any accumulated amortisation and accumulated impairment losses.

The residual value, amortisation period and the amortisation method for an intangible asset is reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values, for both the current and comparative year, as follows:

Item	Average useful life
Models, designs and prototypes	5 years
Customer relationships - Aucom	5 years
Customer relationships - COJOT	7 years

The amortisation charge is included under operating expenses in the statement of profit or loss and other comprehensive income.

1.5 Financial instruments

Classification

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, loans from shareholders and trade and other payables.

Non-derivative financial instruments are initially measured at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Derivative financial instruments comprise foreign exchange contracts and are designated as held for trading.

Financial assets at fair value through profit and loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit and loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes thereof are recognised in profit or loss.

Non-derivative financial instruments

All non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses, except for those at fair value through profit or loss.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

On initial recognition the Group classifies financial instruments, or their component parts, as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not recognised at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

After initial recognition financial assets are measured as follows:

- Loans and receivables are measured at amortised cost using the effective interest method less any impairment losses.

1.5 Financial instruments (continued)

After initial recognition financial liabilities are measured as follows:

- Other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- Where financial assets and financial liabilities are carried at amortised cost, a gain or loss is recognised in profit or loss through the amortisation process, as well as when the financial asset or financial liability is derecognised or impaired.
- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to either settle them on a net basis or to realise the assets and settle the liability simultaneously.

Derecognition of financial instruments

The Group derecognises financial assets only when the contractual rights to the cash flows from the asset expire; or it transfers the right to receive contractual cash flows in a transaction in which substantially all the risk and rewards of the ownership of the financial asset are transferred.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered objective indicators of impairment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. Impairment losses are calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Trade and other receivables

Trade and other receivables are classified as loans and receivables.

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are classified as other financial liabilities and are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are measured at amortised cost which approximates their fair value.

Bank overdraft and borrowings

Bank overdraft and borrowings are classified as financial liabilities and are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividend withholding tax

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared.

The Group withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises, from a transaction or event, which is recognised in the same or a different period, in other comprehensive income or equity.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.7 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent lease payments are expensed in the period they are incurred.

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned by using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Work in progress

Work in progress consists of unfinished goods measured at the lower of cost and net realisable value. Once goods are completed they are transferred to finished goods.

1.9 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is recognised as an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units.

Irrespective of whether there is any indication of impairment, the Group tests goodwill acquired in a business combination for impairment annually. An impairment loss in respect of goodwill is not reversed.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or accumulated amortisation is recognised immediately in profit or loss.

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

If the Group reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received is recognised directly in equity.

Shares in the Group held by the Share Incentive Trust are classified as treasury shares. The cost of these shares are deducted from equity. The number of shares held is deducted from the number of issued shares and the weighted average number of shares in the determination of earnings per share. Dividends received on treasury shares are eliminated on consolidation.

The Group's redeemable preference shares are classified as financial liabilities, as they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as an interest expense in profit or loss as accrued.

1.11 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight-line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

In circumstances where the Group is involved in a share based payment transaction among Group entities, the following is applied in the entity's separate financial statements:

- Where the company is the recipient of the goods or services, the transaction is measured as an equity settled share based payment transaction only if the awards are granted in its own equity instruments or if the entity has no obligation to settle the transaction. In all other cases, the transaction is measured as a cash-settled share-based payment transaction.
- Where the company settles the share-based payment transaction and another entity in the company receives the goods or services, the entity recognises the transaction as an equity-settled share based payment transaction only if it is settled in the entity's own equity instruments. In all other circumstances, the transaction is recognised as a cash settled share based payment transaction.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.13 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

These provisions include provisions for warranties.

Product warranties

Alaris warrants certain repairs on its products for a 12 month period. These warranties are provided for when the initial project is completed. Warranty repairs during the warranty period are monitored and written back against the provision when incurred.

1.14 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.15 Other income

Other income is recognised for amounts received or receivable outside the normal course of business when the following conditions have been satisfied:

- the amount of other income can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

Other income includes profit on foreign exchange, profit on sale of assets and sundry income.

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.17 Finance income and finance costs

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise of interest expense on bank overdraft, borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

1.18 Trading operating profit or loss

Trading operating profit or loss comprises sale of goods, rendering of services and directly attributable costs, but excludes finance income, fair value adjustments, impairment of goodwill and finance costs.

1.19 Discontinued operation

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group, and which is abandoned or disposed of or is classified as held for sale and which represents a separate major line of business or geographical area of operation.

Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented, as if the operation has been discontinued from the start of the comparative period.

1.20 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group companies at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss.

However foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

The Group policy to manage foreign exchange risk is to net off foreign debtors and bank balances against foreign creditors, and the remaining exposure is hedged via currency futures or options, with a maximum of R5 million of the total exposure left unhedged.

Foreign operations

The financial statements of foreign operations in the Group are translated into South African rand as follows:

- assets, including goodwill, and liabilities at the rates of exchange ruling at the reporting date;
- income, expenditure and cash flow items at the weighted average rate of exchange during the accounting period; and
- equity at historical rates.

Differences arising on translation are recognised in other comprehensive income and are presented in the foreign currency translation reserve in reserves

1.21 Deferred revenue

In certain instances, customers are sold extended warranties. These amounts are recognised as deferred revenue since the Group has not rendered the service relating to these warranties. Deferred revenue will be released to revenue at the earliest date of when the services are rendered relating to the warranty or the date of expiry of the warranty.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016	The impact of the standard is not material
Amendment to IAS 19: Employee Benefits: Annual Improvements project	01 January 2016	The impact of the standard is not material
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	The impact of the standard is not material

2.2 New standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRIC 22 Foreign currency transactions and advance consideration	1 January 2018	The impact of the standard is not expected to be material
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019	The impact of the standard is not expected to be material
IFRS 9 Financial Instruments	1 January 2018	Management is in the process of assessing the impact of the standard
IFRS 15 Revenue from Contracts with Customers	1 January 2018	The impact of the standard is not expected to be material
IFRS 16 - Leases	1 January 2019	Management is in the process of assessing the impact of the standard
Amendments to IFRS2: Classification and Measurement of Share-based Payment Transactions	1 January 2018	The impact of the standard is not expected to be material
Amendments to IAS 7: Disclosure initiative	1 January 2017	The impact of the standard is not expected to be material
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	The impact of the standard is not expected to be material

3. Operating segments

The Group had four (2016: four) reportable segments, as described below, which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's chief operating decision maker (CODM). The CODM at the reporting date is the Executive Committee. The responsibility of the Executive Committee is to assess performance and to make resource allocation decisions related to the individual operations of the Group. The segment financial information provided to and used by the CODM forms the basis of the segment information disclosure in these financial statements.

The business is considered from an operating perspective based on the products manufactured and sold. The operating segments comprise:

- Alaris Antennas: located in Centurion, Pretoria where it designs, manufactures and sells specialised broadband antennas as well as other related radio frequency products.
- COJOT: located in Espoo, Finland where it develops innovative broadband antennas to improve connectivity, coverage and competitiveness of radio equipment which is deployed to save lives and protect property.
- Aucom: located in Waterkloof, Pretoria, the business provides end–to–end turnkey solutions for radio and TV broadcasters. The shareholding and all loan claims in Aucom were sold during the financial year and is reported in the discontinued operations, as a result the prior year has been represented.
- Corporate and consolidation: located in Centurion, is a cost centre where costs relating to shared services and fees associated with being a listed company are included. Net funding costs, including the interest paid on the PSG preference shares are included here.

The Group operates internationally, across all continents. Refer to note 11 for disclosure on major customers.

Performance is measured based on earnings before interest, taxation, depreciation and amortisation, as well as profit/(loss) for the year as included in the internal management reports. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within the industry.

3. Operating segments (continued)

R'000 2017	Alaris Antennas	COJOT	Corporate and con-solidation	Total continuing operations	Aucom	Corporate and con-solidation	Total dis-continued operations
Segmental revenue	123 044	36 306	-	159 350	69 308	-	69 308
- Total revenue	123 920	37 353	-	161 273	69 588	-	69 588
- Inter-segmental	(876)	(1 047)	-	(1 923)	(280)	-	(280)
Earnings before interest, tax, depreciation and amortisation (EBITDA) *	51 765	4 254	(14 083)	41 936	218	-	218
Operating profit/(loss)	48 356	3 965	(15 005)	37 316	(202)	(1 044)	(1 246)
Profit on disposal of discontinued operation						9 194	9 194
Finance income	212	7	521	740	580	-	580
Finance costs	(32)	(12)	(4 863)	(4 907)	(33)	-	(33)
Profit / (loss) before taxation	**48 536**	**3 960**	**(19 347)**	**33 149**	**345**	**8 150**	**8 495**
Taxation	(13 590)	(106)	3 549	(10 147)	(93)	418	325
Profit / (loss) for the year	**34 946**	**3 854**	**(15 798)**	**23 002**	**252**	**8 568**	**8 820**
Normalised earnings profit / (loss) for the year	**34 962**	**3 854**	**(15 380)**	**23 436**	**-**	**-**	**-**
** EBITDA excludes the profit on disposal of discontinued operation*							
Reportable segment assets	60 748	17 639	77 365	155 752	-	-	-
Reportable segment liabilities	(18 969)	(6 808)	(52 145)	(77 922)	-	-	-
2016 - represented							
Segmental revenue	117 294	14 822	-	132 116	116 383		116 383
- Total revenue	117 294	14 822	-	132 116	116 383	-	116 383
- Inter-segmental	-	-	-	-	-	-	-
Earnings before interest, tax, depreciation and amortisation (EBITDA) *	51 852	6 822	(9 058)	49 616	25 733	-	25 733
Operating profit	46 977	6 553	(9 239)	44 291	25 356	(2 090)	23 266
Finance income	129		707	836	696	-	696
Finance costs	(20)	-	(4 933)	(4 953)	(258)	-	(258)
Contingent consideration asset	-	-	(22 206)	(22 206)	-	-	-
Profit / (loss) before taxation	**47 086**	**6 553**	**(35 671)**	**17 968**	**25 794**	**(2 090)**	**23 704**
Taxation	(13 175)	(1 360)	957	(13 578)	(7 188)	585	(6 603)
Profit / (loss) for the year	**33 911**	**5 193**	**(34 714)**	**4 390**	**18 606**	**(1 505)**	**17 101**
Normalised earnings profit / (loss) for the year	**34 032**	**5 193**	**(7 735)**	**31 490**	**-**	**-**	**-**
** EBITDA excludes the contingent consideration asset*							
Reportable segment assets	74 550	48 764	39 981	163 295	84 060	30 482	114 542
Reportable segment liabilities	(33 590)	(13 099)	(45 493)	(92 182)	(50 448)	(1 561)	(52 009)

3. Operating segments (continued)

Geographical information

The Alaris Antennas operates its manufacturing, research & development and sales offices from South Africa. COJOT has its operations in Europe. The Coporate & Consolidation segment is based in South Africa. The discontinued operation was operated from South Africa.

The geographic information analyses the Group's revenue and non-current assets by region of operating activity. In presenting the geographic information, segment revenue is based on the geographic location of the customers and non-current assets from where the segment is managed and operated and where its assets are located.

R'000	2017	% of revenue 2017	Represented 2016	% of revenue 2016
REVENUE				
Continuing Operations	**159 350**	**100%**	**132 116**	**100%**
Asia	10 464	7%	1 233	1%
Australia	9 991	6%	2 533	2%
Canada	1 801	1%	2 014	2%
East Asia	4 327	2%	44 949	34%
Europe	57 093	36%	26 050	20%
Middle East	21 236	13%	8 348	6%
North America	13 567	9%	4 832	6%
South America	8 482	5%	32	0%
United Kingdom	13 986	9%	13 522	10%
South Africa	18 403	11%	28 603	22%
Discontinued Operations	**69 308**	**100%**	**116 383**	
Europe	3 697	5%	11 315	10%
South Africa	43 746	63%	45 696	39%
Rest of Africa	21 865	32%	59 372	51%
NON-CURRENT ASSETS				
Total Operations	**46 328**		**77 911**	
South Africa	45 099		75 899	
Europe	1 229		2 012	

4. **Plant and equipment**

R'000	2017 Cost	2017 Accumulated depreciation	2017 Carrying value	2016 Cost	2016 Accumulated depreciation	2016 Carrying value
Plant and machinery	12 704	(9 683)	3 021	12 541	(9 216)	3 325
Furniture and fixtures	373	(215)	158	2 101	(567)	1 534
Motor vehicles	562	(192)	370	421	(163)	258
Office equipment	12	(5)	7	89	(72)	17
IT Equipment	1 157	(509)	648	1 246	(568)	678
Computer software	5 121	(4 096)	1 025	4 775	(3 566)	1 209
Leasehold improvements	811	(386)	425	853	(225)	628
Production tooling	924	(785)	139	864	(617)	247
Other plant and equipment	-	-	-	45	(37)	8
	21 664	**(15 871)**	**5 793**	**22 935**	**(15 031)**	**7 904**

Reconciliation of Plant and Equipment – 2017

R'000	Opening balance	Additions	Disposals	Disposal of Aucom	FCTR	Depre-ciation	Total
Plant and machinery	3 325	880	-	-	(83)	(1 101)	3 021
Furniture and fixtures	1 534	64	-	(1 132)	-	(308)	158
Motor vehicles	258	440	-	(199)	-	(129)	370
Office equipment	17	-	-	(5)	-	(5)	7
IT Equipment	678	383	(40)	(101)	-	(272)	648
Computer software	1 209	691	-	(20)	(12)	(843)	1 025
Leasehold improvements	628	-	-	(35)	-	(168)	425
Production tooling	247	65	-	-	-	(173)	139
Other plant and equipment	8	-	-	(4)	-	(4)	-
	7 904	**2 523**	**(40)**	**(1 496)**	**(95)**	**(3 003)**	**5 793**

4. Plant and equipment (continued)

Reconciliation of Plant and Equipment – 2016

R'000	Opening balance	Additions	Disposals	Additions through business combination	FCTR	Depreciation	Total
Plant and machinery	2 882	490	-	1 013	16	(1 076)	3 325
Furniture and fixtures	325	1 472	-	-	-	(263)	1 534
Motor vehicles	161	191	-	-	-	(94)	258
Office equipment	13	10	-	-	-	(6)	17
IT Equipment	579	328	-	-	-	(229)	678
Computer software	1 295	459	-	81	3	(629)	1 209
Leasehold improvements	621	152	-	-	-	(145)	628
Production tooling	332	69	-	-	-	(154)	247
Other plant and equipment	13	-	-	-	-	(5)	8
	6 221	**3 171**	**-**	**1 094**	**19**	**(2 601)**	**7 904**

Pledged as security
Plant and equipment with a carrying value of R369 245 (2016: R740 517) was ceded as security, refer note 17.

Assets subject to instalment sale agreements (carrying amount)

	2017 R'000	2016 R'000
Plant and machinery	-	474
Motor vehicles	369	267
	369	**741**

A register containing the information required by the Companies Act is available for inspection at the registered office of the Company.

5. Goodwill

	2017				2016			
R'000	Carrying value - opening balance	Disposal	FCTR	Carrying value - closing balance	Cost	Accumulated impairment	FCTR	Carrying value
Radiant Antennas	2 207	-	-	2 207	2 207	-	-	2 207
COJOT	24 986	-	(2 291)	22 695	24 775	-	211	24 986
African Union Communications (Pty) Ltd	19 908	(19 908)	-	-	148 296	(128 388)	-	19 908
	47 101	**(19 908)**	**(2 291)**	**24 902**	**175 278**	**(128 388)**	**211**	**47 101**

5. **Goodwill (continued)**

Reconciliation of goodwill – 2017

R'000	Opening balance	Disposal of Aucom	Impairment	FCTR	Closing balance
Radiant Antennas	2 207	-	-	-	2 207
COJOT	24 986	-	-	(2 291)	22 695
African Union Communications (Pty) Ltd	19 908	(19 908)	-	-	-
	47 101	**(19 908)**	**-**	**(2 291)**	**24 902**

Reconciliation of goodwill – 2016

R'000	Opening balance	Additions through business combination	Impairment	FCTR	Closing balance
Radiant Antennas	2 207	-	-	-	2 207
COJOT	-	24 775	-	211	24 986
African Union Communications (Pty) Ltd	19 908	-	-	-	19 908
	22 115	**24 775**	**-**	**211**	**47 101**

Goodwill related to Radiant Antennas Proprietary Limited

The Group entered into a Sale of Business Agreement, dated 10 July 2012, with Radiant Antennas Proprietary Limited ("Radiant") to acquire the business of Radiant as a going concern in order to expand business opportunities.

The Group acquired all assets of Radiant which include trade receivables, plant and equipment (excluding one motor vehicle), inventory, any prepayments and Radiant's right, title and interest in and to contracts, and assumed all liabilities of Radiant, excluding any shareholder loan accounts.

The Radiant business acquisition was incorporated in the Alaris Antennas cash generating unit effective 1 July 2012.

Goodwill to the value of R2 207 122 was recognised from the Radiant transaction. The recoverable amount was determined as the value-in-use of the cash generating unit estimated on the net present value of the future cash flows, expected to be derived from the unit, using a pre-tax discount rate of 19.6% and terminal growth rate of 2%. The key assumptions are obtained from the budget for 2018 and business plans for the years thereafter. Management's forecast typically covers a five year period and thereafter a reasonable growth rate is applied based on current market conditions. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

Goodwill related to African Union Communications Proprietary Limited

Goodwill relating to the Aucom acquisition was impaired in previous years by R128.3 million in the Corporate and consolidation segment. The Aucom business was sold to the Aucom management effective 30 April 2017. Refer note 7 for more detail.

5. **Goodwill (continued)**

Goodwill related to COJOT Oy

The Group entered into a purchase of share agreement, effective 1 May 2016 where 100% of the shareholding was purchased from private owners.

Goodwill to the value of R24.8 million (EUR 1.5 million) was recognised from the transaction. The recoverable amount was determined as the value in use of the cash generating unit estimated on the net present value of the future cash flows, expected to be derived from the unit, using a pre-tax discount rate of 16.8% and a terminal growth rate of 5%. The key assumptions are obtained from the budget for 2018 and business plans for the years thereafter. Management's forecast typically covers a five year period and thereafter a reasonable growth rate is applied based on current market conditions. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

A reasonably possible change in the assumptions used to calculate the value-in-use for all goodwill balances is not likely to cause the recoverable amount to fall below the carrying value of the remaining cash generating units.

6. **Intangible assets**

	2017				2016		
R'000	**Cost**	**Accumulated amortisation & impairment**	**FCTR**	**Carrying value**	**Cost**	**Accumulated amortisation & impairment**	**Carrying value**
Model, designs and prototypes	9 741	(2 723)	(1)	7 017	23 992	(18 998)	4 994
Customer relationships - COJOT	7 027	(1 024)	(639)	5 364	7 027	(109)	6 918
Customer relationships - Aucom	-	-	-	-	10 451	(4 877)	5 574
	16 768	**(3 747)**	**(640)**	**12 381**	**41 470**	**(23 984)**	**17 486**

Reconciliation of intangible assets – 2017

R'000	**Opening balance**	**Additions**	**Disposal of Aucom**	**Amortisation**	**FCTR**	**Total**
Model, designs and prototypes	4 994	3 145	-	(1 121)	(1)	7 017
Customer relationships - COJOT	6 918	-	-	(915)	(639)	5 364
Customer relationships - Aucom	5 574	-	(4 529)	(1 045)	-	-
	17 486	**3 145**	**(4 529)**	**(3 081)**	**(640)**	**12 381**

6. **Intangible assets (continued)**

Reconciliation of intangible assets – 2016

R'000	Opening balance	Additions	Additions through business combi-nation	Amorti-sation	FCTR	Total
Model, designs and prototypes	5 744	2 157	17	(2 924)	-	4 994
Customer relationships - COJOT	-	-	7 027	(176)	67	6 918
Customer relationships - Aucom	7 664	-	-	(2 090)	-	5 574
	13 408	**2 157**	**7 044**	**(5 190)**	**67**	**17 486**

Internally generated intangible assets with finite useful lives
The intangible assets consist of the development expenditure for models, designs and prototypes incurred that is considered to possess the ability to ensure a future economic benefit, on a long-term basis. The expenditure could be measured reliably. The useful live is five years with no residual value.

The amortisation charge of R1.1 million (2016: R2.9 million) is included under operating expenses in the statement of profit or loss.

Total aggregate research and development cost incurred was R18.1million (2016: R13.3 million).

Customer relationships
Fair value of the customer database was calculated by assessing the consistency of the customers in terms of their existence and value over the last three years prior to the acquisition. Based on this information an attrition percentage was applied to the expected revenues of the Company to determine what value of the future anticipated revenues is estimated to be received from the existing customer database. The lifetime of the COJOT and Aucom customer database was estimated to be 7 years and 5 years respectively.

The amortisation charge of R2.0 million (2016: R2.2 million) is included under operating expenses in the statement of profit or loss.

Based on the valuation, amortisation of the customer relationships' intangible asset of COJOT will be R0.9 million per year for the remaining period.

Aucom disposal
The intangible asset relating to the Aucom customer database that was accounted for at initial purchase date was sold as part of the Aucom disposal transaction. Refer note 7

7. **Interests in subsidiaries and trusts**

Name of subsidiary/trust	2017 %	2016 %
African Union Communications Proprietary Limited	-	100
Alaris Holdings Limited Share Incentive Trust	100	100
Alaris Antennas Proprietary Limited	100	100
Alaris Investment Holdings UK Limited	100	100
COJOT Oy	100	100

Sale of African Union Communications Proprietary Limited
In line with the Group's strategy to focus on development, manufacturing and selling of RF (Radio Frequency) products to global niche markets, the Board has decided to sell its Aucom subsidiary to management. The subsidiaries, Alaris Antennas and COJOT, are aligned with the Group's strategic direction. In contrast to this, the Aucom subsidiary is a value-added reseller, which provides end-to-end integrated system solutions to the broadcasting and satellite communication industry in sub-Saharan Africa. Aucom's business is project-based with long sales cycles and its revenue is very dependent on project implementation schedules. It is critical for Aucom to be BBBEE Compliant for business in South Africa and such structures can be achieved more easily outside a listed environment.

7. Interests in subsidiaries and trusts (continued)

The Transaction will further align Alaris' offerings with its value proposition of continuously evolving its intellectual property base to design products for specific customer needs. Each subsidiary should enjoy fully committed resources to realise their full potential. With this in mind and based on the assessment of the available market size, the Board believes that the transaction will free up much needed capacity to enable future international growth and acquisitions aligned to the core strategy. The Group intends to make further acquisitions in due course. Being a client-centric organisation with clients based worldwide, the Group needs to expand its global footprint in order to be closer to its clients.

Alaris Holdings Limited sold the Company's entire 100% shareholding in Aucom to the management team of the subsidiary ("Aucom management") in exchange for 30 000 000 Alaris shares held by Aucom management at a consideration of R2.00 per share ("Disposal and Repurchase"), amounting to R60 million.

	2017 R'000
Identifiable net assets and liabilities disposed of	
Plant and equipment	1 496
Goodwill	19 908
Intangible assets	4 529
Inventories	7 941
Trade and other receivables	23 022
Cash and cash equivalents	13 016
Current tax assets	927
Deferred tax assets	2 332
Loans and borrowings	(585)
Trade and other payables	(23 552)
Total identifiable net assets disposed	**49 034**
Transaction costs incurred on disposal	1 772
Profit on disposal of discontinued operations	9 194
Total consideration of shares repurchased (non-cash)	**60 000**
Cash disposed	(13 016)
Net cash outflow from disposal	(13 016)

Cash flows attributable to discontinued operations	**2017**	**2016**
Cash flows from operating activities	7 264	16 283
Cash flows from investing activities	(260)	(1 499)
Cash flows from financing activities	29	-
Net cash inflow for the period	**7 033**	**14 784**
Profit on disposal of discontinued operations		
Total profit on disposal	10 966	-
Transaction costs incurred on disposal	(1 772)	-
Net profit on disposal	**9 194**	**-**

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8. Deferred tax

	2017 R'000	2016 R'000
Deferred tax liabilities	(1 073)	(2 941)
Deferred tax assets	3 252	5 420
Total net deferred tax assets	**2 179**	**2 479**
Reconciliation of total net deferred tax asset/(liabilities)		
At beginning of year	2 479	(605)
Reversing temporary difference on plant and equipment	(2)	(90)
Originating / (reversing) temporary difference on intangible assets	1 359	(586)
Deductible temporary differences on deferred revenue	(1 977)	2 768
Income received in advance and Section 24 C allowance	(1 158)	1 221
Prepaid expenses	133	(229)
Increases (decrease) in tax loss available for set off against future taxable income	341	
Deductible temporary differences on unrealised foreign exchange profit	1 004	-
Closing balance	**2 179**	**2 479**
Beginning of year	2 479	(605)
Disposal of Aucom	(2 332)	-
Acquired through business combination	-	(1 405)
Foreign currency translation reserve	1 834	(10)
Charged through profit or loss	198	4 499
Closing balance	**2 179**	**2 479**
Net deferred tax balances consist of the following		
Tax losses available for set off against future taxable income	341	-
Temporary difference on plant and equipment	(348)	(346)
Temporary difference on intangible assets	(2 893)	(4 252)
Temporary difference on deferred revenue	3 417	5 394
Income received in advance and Section 24 C allowance	754	1 912
Originating temporary difference on prepaid expenses	(96)	(229)
Deductible temporary differences on unrealised forein exchange profit	1 004	-
	2 179	**2 479**
Unrecognised deferred tax balances		
Estimated tax losses available to set off against future taxable income	239	256
Recognised as deferred tax asset	-	-
Unrecognised estimated tax losses	**239**	**256**

9. Financial assets by category
The accounting policies for financial instruments have been applied to the line items below:

R'000 2017	Loans and receivables at amortised cost	Total
Trade and other receivables	25 105	25 105
Cash and cash equivalents	65 083	65 083
	90 188	**90 188**

R'000 2016	Loans and receivables at amortised cost	Total
Trade and other receivables	71 713	71 713
Cash and cash equivalents	94 481	94 481
Other financial assets	6 969	6 969
	173 163	**173 163**

The fair value of the financial assets are equal to their carrying values at year end due to their short term nature.

10. Inventories

	2017 R'000	2016 R'000
Raw materials and components	9 266	8 513
Work in progress	1 567	6 795
Finished goods	3 207	4 120
	14 040	**19 428**
Allowance for obsolescence	(448)	(1 388)
	13 592	**18 040**
Allowance for obsolescence		
Opening balance	1 388	309
Disposal of Aucom	(858)	-
Allowance (reversal)/increase	(82)	1 079
Closing balance	**448**	**1 388**

The allowance for obsolescence represents the inventory that has not been sold or used in manufacturing within the past 36 months. The movement in this allowance is based on the sale, usage or lack thereof in case of an increase of items in the manufacturing process.

11. Trade and other receivables

	2017 R'000	2016 R'000
Financial assets		
Trade receivables	25 105	70 750
Deposits	-	136
Other receivables	-	827
	25 105	**71 713**
Non-financial assets		
Prepayments	1 514	772
VAT	839	5 765
Other receivables	96	569
Deposits	228	-
	2 677	**7 106**
Total trade and other receivables	**27 782**	**78 819**

Trade receivables ageing analysis

R'000 2017	Gross amount	Impairment allowance	Net amount
Current	16 389	-	16 389
1 month past due	8 132	-	8 132
2 months past due	426	-	426
3 months and more past due	210	(52)	158
	25 157	**(52)**	**25 105**

R'000 2016	Gross amount	Impairment allowance	Net amount
Current	54 763	-	54 763
1 month past due	3 267	(20)	3 247
2 months past due	1 120	(87)	1 033
3 months and more past due	14 008	(2 301)	11 707
	73 158	**(2 408)**	**70 750**

The carrying amount of trade receivables (net of impairment) are denominated in the following currencies:

	2017 R'000	2016 R'000
Rand	430	17 828
US Dollar	11 039	42 044
Euro	13 636	10 878
	25 105	**70 750**

11. Trade and other receivables (continued)

The carrying amount of trade receivables (net of impairment) based on geographical area:

	2017 R'000	2016 R'000
South Africa	430	17 748
United Kingdom	1 138	2 296
Rest of Africa	-	35 481
USA	2 452	578
Europe	10 988	10 427
South America	8 302	-
Other	1 795	4 220
	25 105	**70 750**

Continuing operations	**2017 R'000**	**2017 % of group revenue**	**2016 R'000**	**2016 % of group revenue**
Customer A (Alaris Antennas)	15 434	10%	4 829	4%
Customer B (Alaris Antennas)	14 747	9%	15 148	11%
Customer C (Alaris Antennas)	13 486	8%	696	1%
Customer D (Alaris Antennas)	10 674	7%	1 758	1%
Customer E (Alaris Antennas)	8 858	6%	2 340	2%
	63 199		**24 770**	

Trade receivables comprise a widespread continuing customer base. During the year the revenue was generated from a more widespread customer base and therefore the Group will report on sales transactions with customers with a revenue of more than 5%. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 89% (2016: 73%) of the Group's continuing revenue is attributable to sales transactions with 126 (2016: 68) international customers. The Group generally deals with corporates who have a sound credit rating. Credit risk is controlled by credit limits being set by experienced personnel. Where credit history has not been established with the customer, upfront payment or Letters of Credit (LC's) are required. Listing of overdue customer balances are reviewed monthly.

It is the policy of the Group to allow for 30-60 day payment terms.

Fair value of trade and other receivables

The fair value of trade and other receivables is equal to their carrying balances. As a result the impact of discounting is not significant.

Reconciliation of provision for impairment of trade receivables:

	2017 R'000	2016 R'000
Opening balance	2 408	5 249
Disposal of subsidiary	(8 956)	-
Charged/(released) to profit and loss	6 697	(2 822)
Amounts written off as uncollectable	(97)	(19)
	52	**2 408**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of trade and other receivables mentioned above and cash and cash equivalents mentioned below.

12. Cash and cash equivalents

	2017 R'000	2016 R'000
Cash and cash equivalents consist of:		
Cash on hand	2	81
Bank balances	65 081	92 707
Short-term deposits	-	1 693
	65 083	**94 481**

The Standard Bank of South Africa holds collateral of suretyship limited to R16.1 million between Alaris Holdings Limited and Alaris Antennas Proprietary Limited.

During the year, the Standard Bank of South Africa granted Alaris Holdings Limited an overdraft facility of R10 million. Collateral held for the security is a guarantee limited to R20 million by Alaris Antennas Proprietary Limited.

The carrying value of cash and cash equivalents balance is equal to the fair value.

Cash and cash equivalents currencies

The carrying amount of cash and cash equivalents are denominated in the following currencies:

2017 R'000	Value in Foreign currency	Value in Rands
USD	106	1 386
EUR	796	11 857
GBP	16	277
Rands	51 563	51 563
		65 083

13. Share capital

	2017 R'000	2016 R'000
Authorised share capital		
2 000 000 000 Ordinary shares of R0.00005 each	100	100
1 879 495 270 unissued ordinary shares are under the control of the directors.		
This authority remains in force until the next annual general meeting.		

Issued share capital	Number of shares 2017	Number of shares 2016	Share capital 2017 R'000	Share capital 2016 R'000	Share premium 2017 R'000	Share premium 2016 R'000
Opening balance	160 504 730	162 604 275	8	8	230 361	231 265
Shares repurchased	-	(2 099 545)	-	-	-	(904)
Shares repurchased - Aucom disposal	(30 000 000)	-	(1)	-	-	-
Specific repurchase	(10 000 000)	-	(1)	-	(20 000)	-
	120 504 730	160 504 730	6	8	210 361	230 361
Treasury shares	(4 387 959)	(2 387 959)	-	-	(8 310)	(3 992)
	116 116 771	**158 116 771**	**6**	**8**	**202 051**	**226 369**

2 000 000 shares were purchased by the Alaris Share Incentive Trust during the current financial year for a value of approximately R4.4 million.

In addition to 30 million shares exchanged for the sale of Aucom, Alaris Holdings Limited repurchased a further 10 million Alaris shares from Aucom management at a consideration of R2.00 per share ("Specific Repurchase"), amounting to R20 million.

14. Share-based payments

R'000 Share Options Group 2017	Number	Weighted exercise price	Total value
Outstanding at the beginning of the year	6 300	2.10	6 927
Options granted during the year	1 300	2.30	1 212
Total options at the end of the year	**7 600**	**2.13**	**8 139**

R'000 Share Options Group 2016	Number	Weighted exercise price	Total value
Outstanding at the beginning of the year	7 078	0.98	6 936
Exercised during the year	(778)	0.01	(9)
Total options at the end of the year	**6 300**	**2.10**	**6 927**

Outstanding options	Exercisable at the end of the year	Exercise date within one year	Exercise date from two to five years	Total
Options with exercise price of R2.10 – Tranche May 2015	1 575	1 575	3 150	6 300
Options with exercise price of R2.30 – Tranche September 2016	-	-	1 300	1 300

Information on options granted

Fair value was determined by using the Black - Scholes model. The following inputs were used:

	Tranche May 2015	Tranche September 2016
Exercise price	R2.10	R2.30
Spot price	R2.39	R2.35
Risk free rates used		
Period 1	6.70%	7.35%
Period 2	6.93%	7.42%
Period 3	7.09%	7.50%
Period 4	7.21%	7.61%
Dividend yield	0%	0%

The option life is 5 years and it will vest in four equal tranches from year 2 onwards.

The volatility was obtained by calculating the change in share price based on a 90 day volume weighted average price.

A total expense of R2 291 000 (2016: R2 023 842) related to equity-settled share based payments transactions was recognised in 2017 in profit or loss.

On 6 May 2015 and 13 September 2016, share options were granted to certain employees that entitled them with the option to purchase Alaris Holdings Limited shares at the exercise price indicated above. The employees have 30 days after each tranche vests to exercise their option, otherwise the options expire.

Due to the impact of the Aucom disposal on the share price, the Remuneration Committee and Board approved an extension on the exercise period from 30 days to 12 months for the first 25% on the tranche issued May 2015.

15. Loans and borrowings

	2017 R'000	2016 R'000
Instalment sales agreement		
Finance lease liability		
Standard Bank of South Africa Limited	-	468
Instalment sale agreement for an analyser secured by first covering bond over property, plant and equipment. Refer to note 4. The loan bears interest at prime rate and is repayable in 60 instalments of R10 826 per month. The net carrying value of the assets pledged as security R0 (2016: R473 915.		
Standard Bank of South Africa Limited	-	111
Instalment sale agreement for a motor vehicle secured by first covering bond over property, plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 0.75% and is repayable in 48 instalments of R3 493 per month. The net carrying value of the assets pledged as security R0 (2016: R111 550).		
Standard Bank of South Africa Limited	454	155
Instalment sale agreement for motor vehicle secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 0.5% and is repayable in 60 instalments. The net carrying value of the assets pledged as security R369 345 (2016: R155 052).		
	454	**734**
Non-current liabilities		
Finance lease liability	361	581
Current liabilities		
Finance lease liability	93	153
	454	**734**
Minimum instalment sales payments due		
- within one year	138	226
- in second to fifth year inclusive	431	699
	569	925
Less: future finance charges	(115)	(191)
Present value of minimum instalment sales payments	**454**	**734**
Present value of minimum instalment sales payments due		
- within one year	93	153
- in second to fifth year inclusive	361	581
	454	**734**

16. Preference share liability

20 400 000 Convertible Redeemable Preference Shares at R2.50 were issued at a dividend rate of prime plus 3% net of tax. They are redeemable on 3 July 2017 or convertible on or before 3 July 2017. Interest paid for the year amounted to R4 955 325 (2016: R4 755 661).

Shareholders are advised that PSG Alpha Investments (Pty) Ltd has not converted the Preference Shares given that the Alaris share price is currently lower than the conversion price of the Preference Shares. Accordingly, the total consideration of R51 million was repaid on 3 July 2017.

	2017 R'000	2016 R'000
PSG Alpha Investments (Pty) Ltd	51 000	51 000
Less: deemed capital	(889)	(889)
Reclassification in anticipation of settlement of preference shares	889	-
	51 000	**50 111**

17. Trade and other payables

	2017 R'000	2016 R'000
Financial liabilities		
Trade payables	8 891	48 917
Other accrued expenses	2 024	7 778
	10 915	**56 695**
Non financial liabilities		
Payroll accruals	6 813	18 452
Operating lease liability	785	634
Deferred revenue	4 172	3 576
Income received in advance	2 710	5 567
	14 480	**28 229**
Total trade and other payables	**25 395**	**84 924**

Fair value of trade and other payables

There is no material difference between the fair value of trade and other payables and their carrying value, due to their short term nature.

Included in the deferred revenue above is an amount of R687 610 relating to a warranty provision. The Group's obligation relating to this warranty expires in the next 12 months.

	2017 R'000	2016 R'000
Operating lease liability		
Minimum lease payments due		
- within one year	2 249	2 073
- in second to fifth year inclusive	5 762	8 010
	8 011	**10 083**
Deferred operating lease liability	(785)	(634)

Operating lease payments represent rentals payable by the Group for its office properties. Leases are negotiated for a term of six years and have option to renew after 5 years. There is an annual escalation of 8.5%. No contingent lease payments are payable.

18. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2017 R'000	Financial liabilities at amortised cost	Total
Preference share liability	51 000	51 000
Trade and other payables	10 915	10 915
	61 915	**61 915**

2016 R'000	Financial liabilities at amortised cost	Total
Preference share liability	50 111	50 111
Trade and other payables	56 695	56 695
Other financial liabilities	2 217	2 217
	109 022	**109 022**

The fair value of the financial liabilities approximates their carrying values at year end.

19. Revenue

	2017 R'000	2016 R'000
Sale of goods	219 563	232 695
Rendering of services	6 545	9 806
Commission received	2 550	5 998
	228 658	**248 499**

20. Trading operating profit

	2017 R'000	2016 R'000
Trading operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
-Contractual amounts	3 329	3 155
Equipment		
-Contractual amounts	659	173
	3 988	**3 328**
Amortisation of intangible assets	3 081	5 190
Depreciation on plant and equipment	3 003	2 601
Employee costs	57 186	48 203
Share based payment expense	2 291	2 024
Net foreign exchange losses/(gains)	3 223	(12 501)
Consultants	5 663	3 812
Legal fees	938	6 527
Transfer taxes on purchase of COJOT	-	1 024

21. Finance income

	2017 R'000	2016 R'000
Interest income on cash and cash equivalents	**1 115**	**1 532**
Interest income from SARS	**205**	**-**
	1 320	**1 532**

22. Finance costs

	2017 R'000	2016 R'000
Interest expenses on financial liabilities at amortised cost	132	65
Interest on preference shares	4 955	4 756
Interest payable for tax reversed	(165)	-
Other interest	18	390
	4 940	**5 211**

23. Taxation

	2017 R'000	2016 R'000
Local income tax	10 020	24 680
Current year	9 141	24 713
Disposal of Aucom	928	-
Prior year adjustment	(49)	(33)
Deferred		
Current year	(198)	(4 499)
	9 822	**20 181**

23. Taxation (continued)

Reconciliation of the tax expense	2017 R'000	2016 R'000	2017 %	2016 %
Profit before taxation	41 644	41 672		
Tax at the applicable tax rate of 28% and 20% for COJOT (2016: 28%)	11 512	11 260	27.6	27.0
Tax effect of adjustments on taxable income				
Non-taxable income				
- Reversal of provisions	(716)	(750)	(1.7)	(1.8)
- Foreign currency translation reserve	-	(45)		(0.1)
- Distribution received from trust	-	(193)		(0.5)
- Finance charge income (On Demand TV)	-	(67)		(0.2)
- Profit on disposal of Aucom	(3 071)	-	(7.4)	0.0
- Other non-taxable income	(6)	(6)		0.0
Non-deductible expenses				
- Legal and consulting fees	488	2 052	1.2	4.9
- Interest on preference shares	1 341	1 379	3.2	3.3
- Other non-deductible expenses	84	90	0.2	0.2
- Fair value adjustment contingent consideration asset	-	6 218		14.9
Prior year adjustment	(49)	33	(0.1)	0.1
Deferred tax asset not recognised for computed loss	239	256	0.6	0.6
S11D allowance	-	(46)	-	(0.1)
	9 822	**20 181**	**23.6**	**48.4**

The above is disclosed on a total operations basis.

24. Earnings per share

	2017 R'000	2016 R'000
Issued ordinary shares at closing per share register	120 504 730	160 504 730
Less: Treasury shares	(4 387 959)	(2 387 959)
Net number of shares issued outside the Group	**116 116 771**	**158 116 771**
Issued ordinary shares at closing per share register	120 504 730	160 504 730
Less: Treasury shares (closing balance)	(4 387 959)	(2 387 959)
Shares repurchased during the year	37 868 493	1 423 142
Basic weighted average number of shares	**153 985 264**	**159 539 913**
Add: PSG Alpha Investments (Pty) Ltd preference shares	20 400 000	20 400 000
Diluted weighted average number of shares	**174 385 264**	**179 939 913**

	2017 R'000	2016 R'000
TOTAL OPERATIONS		
Earnings	31 822	21 491
Basic earnings	**31 822**	**21 491**
Add back interest cost on PSG Alpha Investments (Pty) Ltd preference shares	4 955	4 756
Diluted earnings	**36 777**	**26 247**
Earnings	**31 822**	**21 491**
Less: profit on disposal of Aucom	(9 320)	-
Headline earnings	**22 502**	**21 491**
Add back interest cost on PSG Alpha Investments (Pty) Ltd preference shares	4 955	4 756
Diluted Headline earnings	**27 457**	**26 247**
Basic earnings per ordinary share (cents)	20.66	13.47
Diluted basic earnings per ordinary share (cents)	21.09	14.59
Headline earnings per ordinary share (cents)	14.61	13.47
Diluted headline earnings per ordinary share (cents)	15.75	14.59

24. Earnings per share (continued)

	2017 R'000	2016 Represented R'000
CONTINUING OPERATIONS		
Earnings	23 002	4 390
Basic earnings - continued operations	**23 002**	**4 390**
Add back interest cost on PSG Alpha Investments (Pty) Ltd preference shares	4 955	4 756
Diluted earnings	**27 957**	**9 146**
Earnings	23 002	4 390
Headline earnings	-	-
Headline earnings	**23 002**	**4 390**
Add: back interest cost on PSG Alpha Investments (Pty) Ltd preference shares	4 955	4 756
Diluted Headline earnings	**27 957**	**9 146**
Basic earnings - continuing operations per ordinary share (cents)	14.94	2.75
Diluted basic earnings - continuing operations per ordinary share (cents)	16.03	5.08
Headline earnings - continuing operations per ordinary share (cents)	14.94	2.75
Diluted headline earnings - continuing operations per ordinary share (cents)	16.03	5.08

25. Normalised earnings per share

	Total Operations - Represented		Continuing Operations - Represented	
R'000	**2017**	**2016**	**2017**	**2016**
Profit from operations for the year	31 822	21 491	23 002	4 390
Profit on disposal of Aucom net after tax	(9 320)	-	-	-
Fair value adjustment of contingent consideration asset	-	22 206	-	22 206
Legal and consulting costs for acquisitions and disposal	434	5 116	434	4 894
Loss/(profit) on discontinued operation	500	(17 323)	-	-
Normalised earnings	**23 436**	**31 490**	**23 436**	**31 490**
Normalised earnings per ordinary share (cents)	**15.22**	**19.74**	**15.22**	**19.74**

Normalised earnings is calculated by adjusting profit for the fair value adjustment of the contingent consideration asset, goodwill impairment, loss/(profit) on discontinued operations and legal and consulting fees for acquisitions and disposals.

Normalised earnings per share is calculated by dividing normalised earnings by the weighted average number of ordinary shares in issue.

26. Directors' emoluments

2017	Emoluments	Bonus	Other benefits	Total	Number of share options
Executive	**R'000**	**R'000**	**R'000**	**R'000**	
J Dresel	2 399	185	75	2 659	3 800 000
JSV Joubert - Resigned 31 May 2017	716	32	168	916	-
GT Heyman	1 426	110	46	1 582	1 000 000
	4 541	**327**	**289**	**5 157**	**4 800 000**

Non-Executive	Compensation R'000
CP Bester	442
PN de Waal	164
RC Willis	144
HM Weilert - Appointed 17 February, resigned 31 May 2017	20
	770

2016	Emoluments	Bonus	Other benefits	Total	Number of share options
Executive	**R'000**	**R'000**	**R'000**	**R'000**	
J Dresel	2 200	2 352	43	4 595	3 800 000
JSV Joubert	980	58	695	1 733	-
GT Heyman	1 200	1 333	38	2 571	500 000
	4 380	**3 743**	**776**	**8 899**	**4 300 000**

Non-Executive	Compensation R'000
CP Bester	423
PN de Waal	133
RC Willis	124
	680

Prescribed officers

2017	Emoluments	Bonus	Other benefits	Total	Number of share options
Executive	**R'000**	**R'000**	**R'000**	**R'000**	
S Lentonen	1 527	470	87	2 084	600 000

In addition to their salaries, the group does not provide non-cash benefits to directors and executive officers and does not contribute to post-employment defined benefits on their behalf.

The director's direct and indirect shareholding of the Company control 32.35% (2016: 60.08%) of the voting shares of the Company.

27. Cash generated from operations

		2017 R'000	2016 R'000
Profit for the year		31 822	21 491
Adjustments for:			
Tax expense		9 822	20 181
Unrealised loss/(profit) on foreign exchange		35	(1 367)
Depreciation and amortisation		6 084	7 791
Finance income		(1 320)	(1 532)
Finance costs		4 940	5 211
Contingent consideration asset raised		-	22 206
Profit on disposal of Aucom	7	(10 966)	-
Share based payment expense		2 291	2 024
Foreign currency translation reserve		(3 624)	(299)
Additional finance leases entered into		-	634
Changes in working capital:			
Increase in inventories		(3 493)	(8 670)
Decrease/(increase) in trade and other receivables and other financial assets		34 984	(27 816)
(Decrease)/increase in trade and other payables and other financial liabilities		(38 194)	40 756
		32 381	**80 610**

28. Tax paid

	2017 R'000	2016 R'000
Balance at beginning of the year	(1 647)	527
Current tax for the year recognised in profit or loss	(10 020)	(24 680)
Interest and penalties receivable	205	30
Taxation receivable disposed - Aucom	(927)	-
Exchange rate movements	93	(278)
Balance at end of the year	(2 967)	1 647
	(15 265)	**(22 754)**

29. Related parties

Relationships		
Subsidiaries	African Union Communications Proprietary Limited - 0% (2016: 100%)	
	Alaris Antennas Proprietary Limited - 100% (2016: 100%)	
	COJOT Oy – 100% (2016: 100%)	
	Alaris Investment Holdings UK Limited – 100% (2016: 100%)	
Trusts under entity's control	Alaris Holdings Limited Share Incentive Trust	
Shareholder with significant influence	PSG Alpha Investments Proprietary Ltd	
Director JSV Joubert beneficiary and trustee	MAS Trust	
Director JSV Joubert shareholder	On Demand TV Proprietary Limited	
	MAS Holdings (Pty) Ltd	
Subsidiary Directors R Rashama and T Rashama shareholder	Olympus Investment (Pty) Ltd	
Members of key management	CP Bester	
	PN de Waal	
	J Dresel	
	GT Heyman	
	JSV Joubert	Resigned 31 May 2017
	A Mellet	
	RC Willis	
	HM Weilert	Appointed 17 February 2017 and resigned 31 May 2017
	S Lentonen	

Key management personnel are those having authority and responsibility for planning and controlling the activities of the Group, directly or indirectly, including any director of the Group. The directors of the Group have been identified as key management personnel of the Group.

29. Related parties

	2017 R'000	2016 R'000
Related party balances		
Loan accounts - Owing by related parties		
MAS Trust	-	380
R Rashama	-	104
T Rashama	-	207
Amounts included in trade receivables relating to related parties		
On Demand TV Proprietary Limited	-	2 253
Less: Provision for doubtful debt	-	(428)
Other financial assets		
On Demand TV Proprietary Limited (Refer note 10)	-	5 576
The loan has 24 month repayment terms and bears no interest.		
Related party transactions		
Rent paid to related parties		
MAS Trust	450	489
Sales to related parties		
On Demand TV Proprietary Limited	(2 060)	(1 648)
Interest paid to related parties		
MAS Trust	-	122
R Rashama	-	33
T Rashama	-	67
Shares repurchased from related parties		
MAS Holdings Proprietary Limited	30 000	-
Olympus Investment Proprietary Limited	30 000	-
MAS Trust	10 000	
R Rashama	4 000	-
T Rashama	6 000	-

30. Risk management

Financial instruments carried at fair value

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

The existence of published price quotations in an active market is the best evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. Financial instruments fair valued using quoted prices would generally be classified as level 1 in terms of the fair-value hierarchy.

30. Risk management (continued)

Fair value hierarchy

Fair value measurements are categorised into different levels in the fair value hierarchy based on inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Capital risk management

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

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 17, 18, 19, 20, 21 & 22, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

30. Risk management (continued)

The gearing ratio at 2017 and 2016 respectively were as follows:

	2017 R'000	2016 R'000
Total borrowings		
Loans and borrowings	454	581
Preference share liability	51 000	50 111
	51 454	50 692
Less: Cash and cash equivalents	(65 083)	(94 481)
Net assets	(13 629)	(43 789)
Total equity	77 830	133 646
Total capital	64 201	89 857
Gearing ratio	(21%)	(49%)

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group applies an enterprise wide risk management framework to assess and report on risks including financial risks.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group's risk to liquidity is a result of the funds available to cover future commitments, which mainly relate to trade and other payables and the preference share liability. Current cash and cash equivalents are sufficient to ensure payment of the amounts due in the next 12 months.

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored on a regular basis.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their fair values due to their short term nature.

At 30 June 2017	Less than 1 year R'000	Between 2 and 5 years R'000
Preference share liability	51 000	-
Loans and borrowings	93	361
Trade and other payables	10 915	-
At 30 June 2016		
Preference share liability	5 048	50 111
Other financial liabilities	2 217	-
Loans and borrowings	153	581
Trade and other payables	56 695	-

30. Risk management (continued)

Interest rate risk

The Group's exposure to interest rate risk mainly arises from financial liabilities / assets. Financial liabilities and assets consist of floating rate and non-interest bearing components. In the prior year, the Group held a loan and receivable that was short-term in nature, issued to On Demand TV - refer note 10. This was disposed of with Aucom. The table below analyses the breakdown of financial instruments by type of interest rate:

	2017 Floating	2016 Floating
Financial assets	**R'000**	**R'000**
Cash and cash equivalents	65 083	94 481
Financial liabilities		
Preference share liability	(51 000)	(50 111)
Loans and borrowings	(454)	(581)
	13 629	**43 636**

Sensitivity analysis

A hypothetical increase/decrease in interest rates by 50 basis points, with all other variables remaining constant, would increase/decrease profits after tax and retained earnings by R49 064 (2016: R157 672). A hypothetical increase/decrease in interest rates by 100 basis points, with all other variables remaining constant, would increase/decrease profits after tax by R98 129 (2016: R315 283). The analysis has been performed for floating interest rate financial liabilities. The impact of a change in interest rates on floating interest rate financial liabilities has been assessed in terms of the changing of their cash flows and therefore in terms of the impact on net expenses.

	2017		2016	
	50 basis point increase R'000	100 basis point increase R'000	50 basis point increase R'000	100 basis point increase R'000
Cash and cash equivalents	234	468	340	680
Preference share liability	(184)	(367)	(180)	(361)
Overdraft, loans and borrowings	(2)	(3)	(3)	(4)
	49	**98**	**157**	**315**

Credit risk

Credit risk arises from cash deposits, cash equivalents, derivative financial instruments, loans to related parties, other financial assets and trade debtors. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with the limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by using major credit cards. Credit guarantee insurance is purchased when deemed appropriate. Credit guarantee insures all foreign debtors, and bills Alaris on a monthly basis for the guarantees issued and maintained. Other financial assets are assessed on a customer by customer basis, using past experience and other factors.

30. Risk management (continued)

Financial assets which expose the Group to credit risk at the reporting date were as follows:

	2017 R'000	2016 R'000
Financial instruments		
Cash and cash equivalents	65 083	94 481
Trade and other receivables	25 333	71 713
Other financial assets at amortised cost	-	6 969
	90 416	**173 163**

Market risk

The Group balance sheet consists of foreign monetary assets and liabilities at any given time which exposes the Group to foreign exchange risk. The Board has established a policy for the Group to manage their foreign exchange risk against their functional currency. The Group is required to hedge their net foreign exchange risk exposure, if greater than R5 million, with financial institutions where necessary. Net foreign exchange exposure is defined as foreign monetary assets less foreign monetary liabilities. The Group uses forward exchange contracts and derivatives to hedge net exposure within the limit approved by the Board.

The Group evaluates the net foreign exposure on a monthly basis and either increases or decreases the hedge as appropriate. Under specific circumstances the Group may have net foreign exposure of greater that R5 million. This typically arises when the Group is holding foreign cash which has been earmarked for a foreign acquisition.

At 30 June 2017, if the currency had weakened/strengthened by 10% against the US dollar, with all other variables held constant, the impact on profit after tax and retained earnings for the year would have been R830 684 (2016: R 3 478 296) higher/lower, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables and foreign exchange losses or gains on translation of US dollar denominated trade payables.

At 30 June 2017, if the currency had weakened/strengthened by 10% against the Euro, with all other variables held constant, the impact on profit after tax and retained earnings for the year would have been R1 265 006 (2016: R2 657 596) higher/lower, mainly as a result of foreign exchange gains or losses on translation of EURO denominated trade receivables.

At 30 June 2017, if the currency had weakened/strengthened by 10% against the GBP, with all other variables held constant, profit after tax and retained earnings for the year would have been R19 938 (2016: R1 417) higher/lower, mainly as a result of foreign exchange gains or losses on translation of GBP denominated trade receivables.

30. Risk management (continued)

	2017 *FC'000	2017 R'000	2016 *FC'000	2016 R'000
Trade debtors, USD 846 236 (2016: USD 2 637 893) receivable 30 June 2017	$846	11 039	$2 894	42 044
Trade debtors, EUR 915 138 (2016: EUR 663 452) receivable 30 June 2017	€915	13 636	€663	10 878
Cash and cash equivalents, USD 106 254 (2016: USD 1 662 479)	$106	1 386	$1 662	24 185
Cash and cash equivalents, EUR 795 770 (2016: EUR 2 603 084)	€796	11 857	€2 603	42 701
Cash and cash equivalents, GBP 16 328 (2016: GBP 995)	£16	277	£1	20
Other financial assets, USD 0 (2016: USD 384 287)	-	-	$384	5 576
Trade payables, USD 68 044 (2016: USD 1 522 829)	$(68)	(888)	$(1 523)	(22 108)
Trade payables, EUR (531 780) (2016: EUR 1 016 466)	€(532)	(7 924)	€(1 016)	(16 418)
Other financial liability, USD 0 (2016: USD 147 573)	-	-	$(148)	(2 141)

Exchange rates used for conversion of foreign items were:

Closing exchange rate used for conversion of foreign items were:	**2017**	**2016**
USD	13.04	14.77
EUR	14.90	16.40
GBP	16.96	19.78
Average exchange rates used during the year		
USD	13.60	14.49
EUR	14.83	16.08
GBP	17.26	21.45

*Foreign currency ("FC")

Foreign currency exposure at the end of the year

The Group reviews its net foreign currency exposure, including commitments on an ongoing basis.

31. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the foreseeable future.

32. Events after the reporting period

In terms of the Preference Share Subscription Agreement, Alaris Holdings Limited shall be obliged to redeem the Preference Shares on the first business day following the third anniversary of the Effective Date, being 3 July 2017 ("Redemption Date") to the extent that the Preference Shares have not been converted by PSG Alpha Investments (Pty) Ltd prior to the Redemption Date.

Shareholders are advised that PSG Alpha Investments (Pty) Ltd has not converted the Preference Shares given that the Alaris share price at the Redemption date was lower than the conversion price of the Preference Shares. Accordingly, the total consideration of R51 million was repaid on 3 July 2017.

Other than the above the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Notice of Annual General Meeting

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

In terms of section 59 (1) of the Companies Act, 2008 (act 71 of 2008), as amended ("the Companies Act"), notice is hereby given that the tenth Annual General Meeting ("Annual General Meeting") of shareholders of Alaris will be held at 13:00 on Wednesday, 22 November 2017 at the registered office of the Company at 1 Travertine, N1 Business Park, Old Johannesburg Road, Centurion, 0157, for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

The board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 17 November 2017. Accordingly, the last day to trade Alaris shares in order to be recorded in the Register to be entitled to vote will be Tuesday, 14 November 2017.

VOTING AND PROXIES

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting. Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% (fifty percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

Shareholders entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is attached hereto.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own name" registration and who wish to attend the Annual General Meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than 20 November 2017 at 13:00 provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting prior to the commencement of the Annual General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

Kindly note that meeting participants, which includes proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licenses and passports.

Shareholders who have any doubt as to the action they must take should consult their accountant, attorney, banker or other professional advisor immediately. On a poll, ordinary shareholders will have one vote in respect of each share held.

AGENDA

Ordinary Resolutions

To consider and, if deemed fit, to pass with or without modification all the ordinary resolutions relating to business set out below. More than 50% of the voting rights exercised on each individual resolution must be exercised in favour of those resolutions.

1. **Ordinary resolution 1 - Adoption of annual financial statements**
   To receive, consider and adopt the annual financial statements of the Company and the Group for the financial year ended 30 June 2017, including the reports of the auditors, directors and the Audit and Risk Committee.

   Note: A copy of the annual financial statements appears on pages 47 to 93 of the integrated annual report to which this notice is attached.

2. **Ordinary resolution 2 - Re-election of director**
To re-elect, Coenraad Petrus Bester who, in terms of Article 24.7 of the Company's Memorandum of Incorporation, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.

An abbreviated curriculum vitae in respect of the directors offering themselves for election / re-election appear on page 11 of the integrated annual report to which this notice is attached.

3. **Ordinary resolution 3 - Election of a director**
To elect, Andries Mellet, in terms of Article 24.2 of the Company's Memorandum of Incorporation, as a member of the Company's Board.

4. **Ordinary resolution 4 – Appointment of Richard Willis to the Audit and Risk Committee**
To re-appoint, Richard Willis as a member and Chairperson of the Company's Audit and Risk Committee.

5. **Ordinary resolution 5 – Appointment of Coenraad Petrus Bester to the Audit and Risk Committee**
To re-appoint, Coenraad Petrus Bester as a member of the Company's Audit and Risk Committee.

6. **Ordinary resolution 6 - Appointment of Andries Mellet to the Audit and Risk Committee**
To appoint, Andries Mellet as a member of the Company's Audit and Risk Committee, subject to the passing of ordinary resolution 3.

An abbreviated curriculum vitae in respect of each member of the Audit and Risk Committee appears on page 11 of the integrated annual report to which this notice is attached.

7. **Ordinary resolution 7 - Re-appointment of external auditor**
To confirm the re-appointment of KPMG Inc. as independent auditors of the Company with Nicholas Southon, being the individual registered auditor who has undertaken the audit of the Company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.

8. **Ordinary resolution 8 - Advisory endorsement of remuneration policy and implementation report**
   8.1 **Ordinary resolution 8.1** Resolved that, the remuneration policy of the directors of Alaris ("directors"), as set out on page 22 of the integrated annual report to which this notice is attached, be and is hereby endorsed as a non-binding advisory vote of shareholders of the Company in terms of the King Report on Corporate Governance.

   8.2 **Ordinary resolution 8.2** Resolved that, the remuneration implementation report, as set out on page 22 of the integrated annual report to which this notice is attched, be and is hereby endorsed as a non-binding advisory vote of shareholders of the Company in terms of the King Report on Corporate Governance.

NOTE: The King Report on Corporate Governance recommends that the Company's remuneration policy and implementation report be tabled to shareholders for a non-binding advisory vote at each Annual General Meeting. Failure to pass this resolution will not have legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing the Company's remuneration policy and implementation report.

9. **Ordinary resolution 9 - Control of authorised but unissued ordinary shares**
Resolved that, the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 38 and 41 of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE Limited ("the JSE Listings Requirements"), as amended from time to time. Refer ordinary resolution 10 below for further clarity.

10. **Ordinary resolution 10 - Approval to issue ordinary shares, and to sell treasury shares, for cash**
Resolved that, the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to –

- allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company,

for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company and its subsidiaries and the JSE Listings Requirements from time to time.

The JSE Listings Requirements currently provide, inter alia, that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 25% (twenty five percent) of the number of listed securities, excluding treasury shares, as at the date of this notice, being 29 029 192 securities. Any securities issued under this authorisation during the period of 15 (fifteen) months from the date of this authorisation granted will be deducted from the aforementioned 29 029 192 listed securities. In the event of a sub-division or a consolidation the authority will be adjusted to represent the same allocation ratio. Even though the Group currently has a healthy cash balance on hand, this resolution is required in the event where a viable acquisition is identified and preference share liability has to be settled;
- this general authority will be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the issuer and the parties subscribing for securities, and in respect of the issue of options and convertible securities, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, including supporting information (if any), of the intended use of the funds, will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue;
- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Listings Requirements, ordinary resolution number 10 must be passed by a 75% (seventy five percent) majority of the votes cast in favor of the resolution by all members present or represented by proxy at the Annual General Meeting.

11. Ordinary resolution 11 - Signature of documents

Resolved that, each director of the Company be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Commission, in the case of special resolutions.

Special Resolutions

To consider and, if deemed fit, to pass, with or without modification, all the special resolutions relating to business set out below. More than 75% of the voting rights exercised on each individual resolution must be exercised in favour of those resolutions.

12. **Special resolution 1 - Non-executive Directors' basic remuneration**
Resolved that, in terms of the provisions of section 66(9) of the Companies Act, the annual remuneration payable to the non-executive directors of Alaris for their services as directors of the Company for the financial year ending 30 June 2018, be and is hereby approved as follows:

Type of fee	Approved fee in ZAR for the year ended 30 June 2017	Proposed fee in ZAR for the year ending 30 June 2018
Board		
Chairperson*	R248 400	R269 514
Member	R63 180	R68 550
International member	€8 800	€9 500
Audit Committee		
Chairperson	R75 600	R82 026
Member	R45 900	R49 801
International member	€6 400	€6 950
Remuneration and nomination Committee		
Chairperson	R35 100	R38 084
Member	R17 280	R18 749
International member	€2 400	€2 600

* *The chairperson of the Board does not receive additional remuneration if he/she is a member of, or chair of, any subcommittee of the Board.*

** *The Social and Ethics Committee members do not receive any additional remuneration if he/she is a member of, or chair of, any subcommittee of the Board.*

13. **Special resolution 2 - Non-executive Directors' hourly remuneration**
Resolved that, in terms of the provisions of section 66(9) of the Act, the hourly remuneration payable to the non-executive directors of Alaris for their services as directors of the Company in excess of their attendance at regular Board and Committee meetings for the financial year ending 30 June 2018 of R2 500 per hour, payable with pre-approval at the Board's discretion, is hereby approved.

Explanatory note to special resolution 1 and 2
In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.

It should be noted that pre-approval of remuneration to the non-executive directors for their services as directors for the year ended 30 June 2017 was obtained at the Annual General Meeting held on 30 November 2016 and consequently pre-approval of remuneration to the non-executive directors for their services as directors for the financial year, of 1 June 2017 to 30 June 2018, is being sought at the Annual General Meeting.

14. **Special resolution 3 - General approval to acquire shares**
Resolved, by way of a general approval that the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act and the JSE Listings Requirements.

The JSE Listings Requirements currently provide, *inter alia,* that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- this general authority shall only be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;

- in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 15% (fifteen percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf;
- the acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- the Company may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the Company has passed the solvency and liquidity test ("test") and that since the test was done there have been no material changes to the financial position of the Group;
- the Company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements; and
- an announcement will be published once the Company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted ("initial number"), and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

Explanatory note
The purpose of this special resolution number 3 is to obtain an authority for, and to authorise, the Company and the Company's subsidiaries, by way of a general authority, to acquire the Company's issued ordinary shares.

It is the intention of the directors of the Company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

14.1 Other disclosure in terms of Section 11.26 of the JSE Listings Requirements
The JSE Listings Requirements require the following disclosure, which are contained in the integrated annual report of which this notice forms part:

- major shareholders of the Company – page 34; and
- share capital of the Company – page 76

14.2 Material change
There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of this notice.

14.3 Directors' responsibility statement
The directors, whose names are given on page 10 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 3 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 3 that have been omitted which would make any statement in relation to special resolution number 3 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 3 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 3.

14.4 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of 12 (twelve) months thereafter:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements.

15. Special resolution 4 - Financial assistance for subscription of securities

Resolved that, as a special resolution, in terms of section 44 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 4, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that:

15.1 the Board, from time to time, determines (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided; and

15.2 the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 4 unless the Board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.

Purpose of special resolution number 4

The purpose of this special resolution number 4 is to grant the Board the authority to authorise the Company to provide financial assistance to any person for the purpose of, or in connection with, the subscription for any option or securities issued or to be issued by the Company or a related or inter-related company.

16. Special resolution 5 - Loans and other financial assistance

Resolved that, as a special resolution, in terms of section 45 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 5, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation or to a member of any such related or inter-related corporation or to a person related to any such company, corporation, director, prescribed officer or member provided that:

16.1 the Board, from time to time, determines (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided, and

16.2 the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 5 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.

Purpose of special resolution number 5
The purpose of this special resolution number 5 is to grant the Board the authority to authorise the Company to provide financial assistance as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

Notice given 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 such direct or indirect financial assistance in respect of special resolution number 5:

(a) by the time that this notice of Annual General Meeting is delivered to shareholders of the Company, 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 of two years commencing on the date on which special resolution number 5 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of any such related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or a member;

(b) the Section 45 Board Resolution will be effective only if and to the extent that special resolution number 5 is adopted by the shareholders of the Company, and the provision of any such direct or indirect 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 (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; and

(c) in as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent 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 of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

17. OTHER BUSINESS
To transact such other business as may be transacted at the Annual General Meeting of the Company.

By order of the Board

Merchantec Proprietary Limited
Company Secretary

24 October 2017
Johannesburg

Form of Proxy

Alaris Holdings Limited
(formerly Poynting Holdings Limited)
Incorporated in the Republic of South Africa
(Registration number 1997/011142/06)
Share code: ALH ISIN: ZAE000201554
("Alaris" or "the Company" or "the Group")

FORM OF PROXY

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own-name" registration,

at the tenth Annual General Meeting of shareholders of the Company to be held at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, 0157, at 13:00 on Wednesday, 22 November 2017 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the Annual General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

These ordinary shareholders must not use this form of proxy.

Name of beneficial shareholder

Name of registered shareholder

Address

Telephone work (   )   Telephone home (   )   Cell:

being the holder/custodian of   ordinary shares in the Company, hereby appoint (see note):

1.   or failing him / her,

2.   or failing him / her,

3. the Chairperson of the meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:

		Number of ordinary shares		
		For	Against	Abstain
1.	**Ordinary resolution 1** To receive, consider and adopt the annual financial statements of the company and Group for the financial year ended 30 June 2017			
2.	**Ordinary resolution 2** To approve the re-election as director of Coenraad Petrus Bester who retires by rotation			
3.	**Ordinary resolution 3** To elect Andries Mellet as a member of the Company's Board			
4.	**Ordinary resolution 4** To re-appoint Richard Willis as member and Chairperson of the Audit and Risk Committee			
5.	**Ordinary resolution 5** To re-appoint Coenraad Petrus Bester as a member of the Company's Audit and Risk Committee			
6.	**Ordinary resolution 6** To re-appoint Andries Mellet as a member of the Company's Audit and Risk Committee			
7.	**Ordinary resolution 7** To confirm the re-appointment of KPMG Inc. as auditors of the Company together with Nicholas Southon as the individual registered auditor for the ensuing financial year			
8.	**Ordinary resolution 8** 8.1 Endorsement of the remuneration policy			
	8.2 Endorsement of the implementation report			
9.	**Ordinary resolution 9** Control of authorised but unissued ordinary shares			
10.	**Ordinary resolution 10** Approval to issue ordinary shares, and to sell treasury shares, for cash			
11.	**Ordinary resolution 11** Signature of documents			
12.	**Special resolution 1** Approval of the non-executive directors' basic remuneration			
13.	**Special resolution 2** Approval of the non-executive directors' hourly remuneration			
14.	**Special resolution 3** General approval to acquire shares			
15.	**Special resolution 4** Financial assistance for subscription of securities			
16.	**Special resolution 5** Loans and other financial assistance			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the Company.

Signed at on 2017

Signature

Assisted by (if applicable)

Notes to Proxy

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the Annual General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 hours before the commencement of the Annual General Meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favor of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Annual General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the Chairperson of the Annual General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the Annual General Meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the Chairperson of the Annual General Meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

Notes to Proxy

13. **Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited**

Hand deliveries to:	Postal deliveries to:
Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank, 2196	Computershare Investor Services Proprietary Limited PO Box 61051 Marshalltown 2107

to be received by no later than 13:00 on Monday, 20 November 2017 (or 48 hours before any adjournment of the Annual General Meeting which date, if necessary, will be notified on SENS).

14. A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.

15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:

A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.

A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

Attention is also drawn to the "Notes to proxy".

The completion of a form of proxy does not preclude any shareholder from attending the Annual General Meeting.

Election Form For Electronic Post

24 October 2017

Dear Alaris Holdings Limited Shareholder

Notice of publication of annual financial statements for the financial year ended 30 June 2017
Alaris Holdings Limited hereby gives notice in terms of section 31(1) of the Companies Act, 2008 (Act 71 of 2008), as amended, to all its shareholders of the publication of the annual financial statements of the Company for the financial year end 30 June 2017.

A copy of the annual financial statements of the company may be obtained by a shareholder, without charge:

1. By downloading a copy of the annual financial statements from the company's website www.alarisholdings.com, or
2. By requesting a copy of the annual financial statements from Alaris by means of either:

   a. Email: Investor@alaris.co.za

   b. Post to Private Bag X4, The Reeds, Pretoria, 0061

   or
3. By requesting post-delivery as per the records on file with your current brokers.

   (Please note that the integrated annual report 2017 will only be available in electronic format unless a specific hard copy is requested.)

Yours faithfully

J Dresel

| CLIENT CENTRIC | **ACCOUNTABILITY** | EXCELLENCE | INNOVATION | INTEGRITY |

WORLD PRESENCE

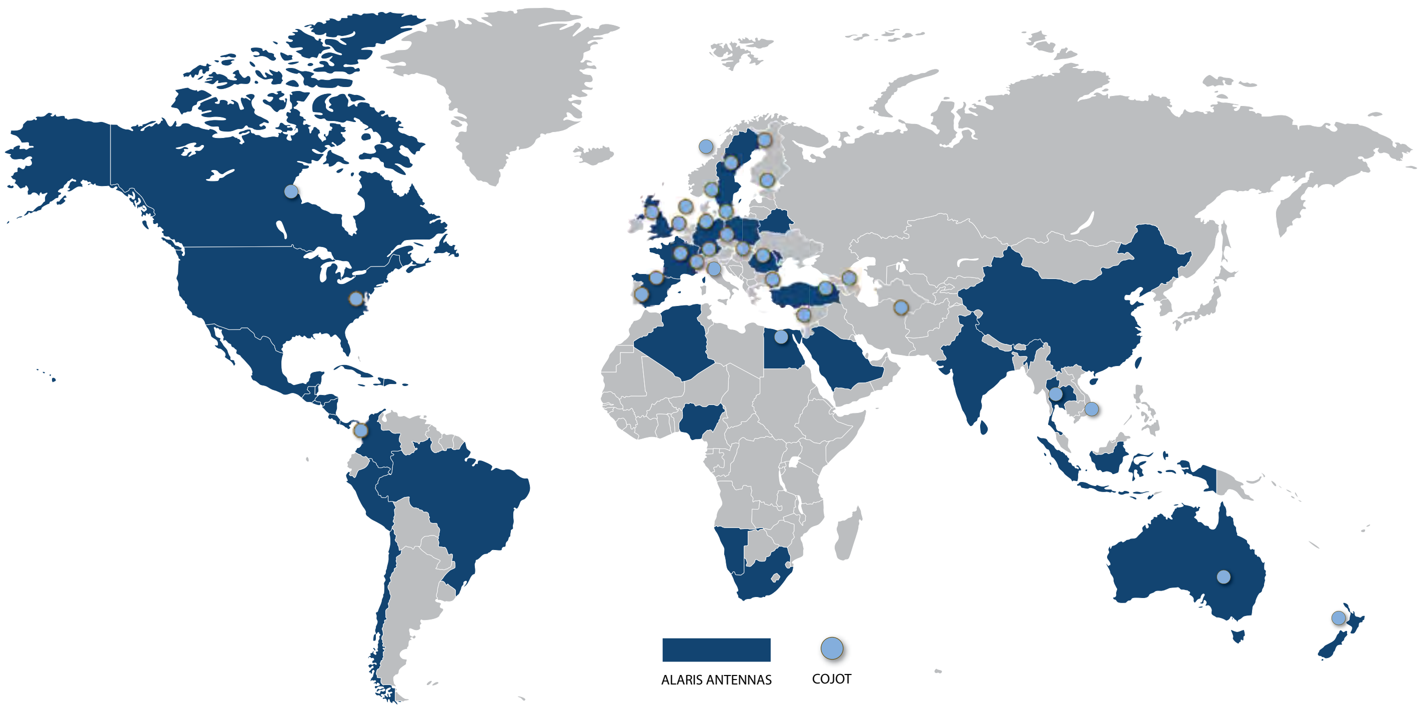


Photo by: Riaan Ferreira

Photo by: Vernon Davids

| CLIENT CENTRIC | **ACCOUNTABILITY** | EXCELLENCE | INNOVATION | INTEGRITY |

CORPORATE INFORMATION

ALARIS HOLDINGS LIMITED

(incorporated in the Republic of South Africa)

www.alarisholdings.co.za

Directors

Coen Bester* (Chairman), Nico de Waal@ , Jürgen Dresel # (CEO), Richard Willis* ,
Andries Mellet , Gisela Heyman (Financial Director)

*Independent Non-executive #German
@Resigned 17 October 2017

Business address and registered office

1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0061)

Designated Adviser

Merchantec Capital
Registration Number 2008/027362/07
2nd Floor, North Block, Hyde Park Office Tower, Corner 6th Rd and Jan Smuts Ave, Hyde Park, 2196
(PO Box 41480, Craighall, 2024)

Company Secretary

Merchantec Proprietary Limited

Transfer Secretaries

Computershare Investor Services Proprietary Limited

Registration Number 2004/003647/07

Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

(PO Box 61051, Marshalltown, 2107)

Auditors

KPMG Inc.

Bankers

Standard Bank

PRINCIPAL SUBSIDIARIES

Alaris Antennas Proprietary Limited

Registration Number 2013/048197/07
Alaris Antennas Division
Managing Director: Jürgen Dresel
1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, 0157
Tel +27 (0)11 034 5300

COJOT Oy

Registration Number 0620465-3

COJOT Division

Managing Director: Samu Lentonen
PL 59, 02271 Espoo, Finland
Tel +358 (0) 9 452 2334

ALARIS
HOLDINGS

Business address and registered office
1 Travertine Avenue, N1 Business Park, Old
Johannesburg Road, Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0166)
Tel +27 (0)11 034 5300
www.alarisholdings.com