Poynting

Holdings Limited

Making wireless happen

ANNUAL REPORT

2014

Our Vision

Poynting Holdings Limited and its subsidiaries ("Poynting" or "the Group") designs and manufactures specialised antennas and other related radio frequency (RF) products and provides end to end solutions for radio and TV broadcasters and to global suppliers/partners of choice in the telecommunications, broadcast, defense and security markets.

Extracting the core aspects from Poynting's vision statement perhaps best describes the nature and culture of the Company:

- Our bedrock value is our belief that we shall succeed through innovative design;
- We provide products, information and advice with technical honesty and integrity;
- We prefer multicultural and diverse employees operating in small teams;
- Poynting teams enjoy working hard and are given a high level of autonomy, freedom and responsibility;
- All are encouraged to be brave and headstrong and must learn to thrive on challenges;
- Poynting is proud of our African roots, but always aims at international success; and
- Poynting's activities should benefit its shareholders, employees, customers and communities.

About This Report

The annual report covers the economic, environmental, social activities and financial issues of the Group for the year ended 30 June 2014. The content and structure of this report conforms to the recommendations and the principles laid out in the King III report, and complies with the South African Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act") and the Listings Requirements of the JSE Limited ("JSE").

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 directors of Poynting acknowledge 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 integrated 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 of directors of Poynting ("the Board") therefore approves the release of the 2014 integrated annual report.

Chairman / Chief Executive Officer

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

www.poynting.co.za.

Our mission

Poynting's mission is to deliver high quality solutions on time through technical and service excellence.

What we are all about

For the telecommunications, broadcast, defense and security markets, Poynting delivers an on time, high quality, customised solutions offering supported by technical and service excellence. Poynting is the trusted innovation partner to its clients for over a decade.

Contents

Poynting Overview

HIGHLIGHTS

- Revenue increased by 47% to R132m
- Cash flows from operating activities up 23% to R7.9m
- NAV/share up 63% to 84.2 cps
- Tangible NAV/share up 3% to 38.1 cps
- Export revenue up 71% over last year, with 57% of group revenue now earned outside of South Africa.
- Defence & Specialised increased profit after tax by 74% from R9.1m to R15.8m
- Commercial & CCS disappointed recording a combined loss of R8.6m
- African Union Communications Proprietary Limited ("Aucom") full year profit of R13.7m is above profit warranty target of R11.0m.
- Reported EBITDA declined from R14.6m in 2013 to R3.6m in 2014, but adjusted EBITDA (refer below) of R38.2m reflects group growth
- The financial statements are significantly distorted by the requirements of IFRS arising from the Aucom acquisition. This results commentary should be read with care to understand the underlying company performance.
- Subsequent to year end the Group announced the disposal of its commercial products divisions, which had been loss making for some years.

Business Processes

WHAT WE DO

Poynting designs, manufactures and supplies antennas and telecommunication products to the cellular, wireless data, broadcast and defence markets, both within South Africa and internationally through its subsidiaries and partner companies. Poynting's export markets primarily incorporate Europe, the United States of America ("USA"), the Middle East and Asia ("MEA").

The Group operates as five divisions in four technology segments, namely Commercial, Defence, Cellular Coverage Solutions ("CCS"), Digital Television and Skunkworks. The main divisions are Defence, Commercial and Digital Television. CCS is not yet consistently profitable and Skunkworks is engaged with investing into new business areas and acquisitions to drive the growth plan referred to later in this report.

	Defence & specialised antennas ("DS")	Commercial cellular end user antennas ("Commercial")	Cellular Coverage Solutions ("CCS")	Digital Television ("DTV")	New Product Development ("SkunkWorks")*
Companies/ brands and divisions included in this segment	Poynting Defence and Specialised Division including Radiant Antennas	Poynting Commercial Division and Poynting Direct	Poynting CCS division	Aucom	Various new concepts in development or proof of concept stage
Markets	Defence system integrators, homeland security, spectrum monitoring	Cellular end users, machine to machine ("M2M") integrators	Cellular operators and cellular infrastructure providers	TV and Radio Broadcasters	Potentially products within existing segments (VeriPoynt, AirPoynt) but can also exploit new markets e.g. Household TV consumers (DigiAnt/ SunPoynt)
Major regions	Europe, MEA, USA	RSA, Europe and Australia	RSA and Africa	RSA and Africa	Initial interest from RSA and SADC countries
Products/ services	Specialised broadband jamming, monitoring and communication antennas	3G/LTE/Wi-fi consumer antennas and M2M antennas	Micro base station products	Design, supply and integration of DTV distribution, Multiscreen and Over The Top (OTT) systems	Develop new products and IP for existing divisions and new growth areas
Business model	Design, manufacture and sales of antenna products highly customised for clients	Design, manufacture and sales of antenna products	Design, manufacture and sales to integrators and cellular operators	Design system, source equipment and implement/ integrate for customers	Develop new products and register IP, initial manufacture, market testing and early adopter sales. IP licensing
Registered Intellectual Property	The intellectual property portfolio grew from 42 to 60 registered designs, trademarks and patents.				
Opportunities	Penetrate US defence market, further expand into military communication market, increase number of system integrator customers	Capitalize on explosive growth in LTE/4G rollouts/ usage; Sign up distributors for much larger penetration of international markets	Address dramatic increase in demand for small cellular base stations (number of base stations expected to increase by factor of 10 over the next 5 years)	Assist broadcasters with migration to digital TV and radio across Africa. Target large expected increase in private content providers, pay TV companies and private broadcasters.	License DigiAnt production internationally. Provide solar TVs to consumers without access to electricity. Supply DigiAnt TV antenna with demand driven by digital migration in Africa.

The designation "skunkworks", is widely used in business, engineering, and technical fields to describe a group within an organization given a high degree of autonomy and unhampered by bureaucracy, tasked with working on special projects.

Business Processes

The Defence Division is focused on the electronic warfare market which comprises monitoring, jamming and direction-finding antennas. This division sells to military system integrators and specialised distribution partners. Close partnerships are created with customers, and antennas are often custom-designed. The Defence Division has also integrated the products of Radiant Antennas Proprietary Limited ("Radiant Antennas"), which was acquired in July 2012, and is generating sales from this new product range. These products have extended the Defence Division to the defence communication market from the previously predominantly serviced Electronic Warfare ("EW") market.

The defence communication market is fundamentally larger than the more specialised EW market and promises good growth opportunities. Strategically, this expansion makes sense since the EW market demanded very broad bandwidth antennas; our EW antennas as well as the Commercial 3G antennas has provided Poynting with leading technology and knowhow to design and manufacture these broad bandwidth antennas.

Technological advances in defence communications similarly demands increasingly broader bandwidth antennas in large quantities. The combination of broadband antenna technology and knowhow in mass producing 3G broadband antennas, together with Radiant Antennas' existing mechanical and electrical designs, place Poynting in an almost unique position to capitalise on supplying the defence communication market.

Poynting's commercial antennas are used with or in cellular and wireless data end-user equipment. Technologies include GSM, HSPA, 3G, 4G, LTE, WiFi, iBurst and related technologies. These antennas enable and enhance internet access for end users, increase throughput while also making connections more consistent and reliable.

The Commercial Division sells most of its products through distributors with main markets in South Africa, Europe, the USA and Australia, in order of contribution to sales. Our antennas find a particular niche in fixed wireless (office or home internet) usage and the machine-to-machine ("M2M") market is another driver in demand for our antennas. Many new applications appear as the cost of connectivity drops – these include home alarm systems, irrigation, video surveillance, antipoaching detection devices, vending machines and other novel applications requiring connectivity.

Poynting is invested in the entry into the cellular micro base station market through its CCS division. CCS is fundamentally different from the Commercial Division, which mainly supplies antenna based solutions used to connect end user equipment, while CCS products are aimed at the base station (network operator or infrastructure) market.

Skunkworks was formed as a vehicle to allow for the execution of the CEO growth plan which aims to build Poynting into a group with revenue in excess of R1 billion over a 3 to 5 year period. This growth will be in the form of acquisitions of new businesses, including strategic acquisitions to expand current business divisions in terms of product and distribution and investing into completely new business areas.

WHERE WE OPERATE

Poynting offices are currently in the Gauteng and the Western Cape provinces of South Africa.

The Commercial Division utilizes the two main sales channels being Poynting Europe (a non group entity), based in Germany, and Poynting Direct operating from various locations within South Africa. We deliver our products nationwide and also utilise an internet webshop to sell our products. There are relationships with the large mobile and wireless data network operators in South Africa, Africa and other countries, many of whom have approved our products for use on their networks.

The Digital Broadcast business has relationships with a number of equipment manufacturers and acts as a system integrator for broadcasters throughout Africa.

The Defense and Specialised Division has numerous distributors based around the world. We supply local and foreign 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 sales channel with good sustainability.

Major operations

Commercial Division (Gauteng) Unit 4, N1 Industrial Park Landmarks Avenue Samrand, 0157 South Africa	**Commercial Division (Western Cape)** Unit N3, Centurion Business Park C/o Bosmansdam Road and Democracy Way Marconi Beam, Cape Town, 7441 South Africa
Defence and Specialised 1 Travertine N1 Business Park Centurion, 0157 South Africa	**Digital Broadcast Division** 394 Cliff Avenue Waterkloof Ridge X2 Pretoria South Africa

FACTORS THAT WILL INFLUENCE OUR FUTURE

Reference regarding the aspects that will Influence Poynting will be discussed In the CEO report Included on page 14 of this report under the heading future prospects.

Stakeholder	Requirements	Engagement	Challenges	Status
Investors and shareholders	Poynting is an innovative entity to generate sustainable returns for investors	Investor relations Financial results reporting and discussions Annual general meeting Individual engagements	Continuously delivering profitable growth results	Substantial growth in the size of the business which should result in improvement of earnings to support the share price
Clients	Our clients require innovative cost effective antenna solutions, giving them the competitive edge	Client engagement processes through different services classified on high level as implementation, support and product developments	Providing top quality antennas at a market related price	Poynting is experiencing a higher demand for its products
Partners	The distributors of our products require innovative problem solving 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 footprint in the world	Poynting has shown a steady increase in distributors actively promoting Poynting products

Business Processes

Stakeholder	Requirements	Engagement	Challenges	Status
Employees	Ensuring personal growth	Strong emotional support	Retaining key employees	Move of the Defence business to new premises. The human resource department is implementing employee benefits programs
	Inspiration and allowing individuals to grow	Arranging social functions		
	Being the antenna company of choice	Ensuring the human resource department takes care in personal requirements		
Industry players	Being the preferred antenna company	Attending worldwide trade shows, effective and innovative antenna designs	Ensuring that we are the leaders in the market	Remained focused on being the preferred supplier of specialised antennas
Suppliers	Ensuring accurate orders and timely payments	Quality engineers visiting suppliers premises and engaging in discussions when new materials are required	Ensuring that suppliers supply quality products at reasonable prices	Poynting supports suppliers that deliver quality products on time
Community	Uplifting the community with social development programs	Staying abreast of community concerns and educating the community regarding antenna usage as well, as the environmental impact	Ensuring that the community experience our products as useful and environment friendly	Investment in the Tshwane East Manufacturing and Incubation Center (TEMIC)
Government and regulators	Complying with regulations	Meeting with relevant officials on a regular basis and actively involved in discussions regarding the change in regulations	Ensuring compliance as well as keeping abreast of developments	Poynting is audited on a regular basis by independent third parties to ensure the required levels of compliance are maintained

THE REASONS FOR OUR EXISTENCE

Poynting is a unique, specialised and innovative developer of commercial and military antennas. Clients use the expertise of our highly qualified engineers to achieve improved communications or to enhance their products in the market place. We outperform our competitors mainly due to our exceptional antenna design engineers and design methods developed over the years. We have also focused on niche markets and formed client relationships built over many years in the respective markets to ensure relevant product development and, of course, a ready market for these once developed.

MODERATING OUR BEHAVIOUR

Ethics

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

The Board constantly considers the short- and long-term impacts of Poynting's strategy on the economy, society and the environment. Where possible our antennas 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 Social and Ethics committee was established during the prior year and the responsibility of the committee is to ensure that Poynting and its employees act in a responsible manner so as to be a good corporate citizen.

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

Risk

The directors are 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 directors to meet these responsibilities, the Board 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 and management, where 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 Poynting.

Remuneration

The Group's remuneration policy is in-line with Poynting's strategies. Strict codes of conduct are in place to ensure that an honest and credible working environment is created and sustained. Target incentives which are, reviewed and approved by the remuneration committee, are in place to ensure that exceptional employees are rewarded for their efforts in a controlled and authorised manner.

The Poynting Empowerment Trust ensures long-term sustainable benefits for previously disadvantaged employees.

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 guidelines.

Our Governance Team

Coenraad Petrus Bester (58)
BSc Eng (Elec) (UP) BSc Eng (Elec) Hons (Potch)
MBA (UP), OPM (Harvard Business School)
Independent Non-executive Chairman

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.

Andries Petrus Cronje Fourie (52)
BSc Eng (Elec) PhD (Wits)
Chief Executive Officer (Resigned 19 December 2014)
Executive Director : Managing Director Commercial Products

André graduated with a BSc Eng (Elec) in 1985 and received a PhD in 1991 from Wits University. He began his professional life in academia during which he lectured a final year course on antennas for 18 years, authored and co-authored approximately 50 academic papers and four books on antennas and computational mathematics. Most of the aforementioned academic work took place in parallel with entrepreneurial activities such as contract research, starting companies and industrial consulting work. André started Givati Fourie and Associates in 1991 to provide specialised design services to the industry as well as to invent and design products. This company was disbanded in 1996 and Poynting Innovations was formed in that same year with a similar business purpose.

André then founded Poynting Antennas in 2000 which was a major change resulting in growth from an eight-person company to the current JSE AltX listed Group of 118 employees.

Juergen Dresel (46)
Diplo.Ing. (TU Munich) MSc Eng (Elec) (Wits)
Chief Executive Officer (Appointed 19 December 2014)
Executive Director : Managing Director Defence & Specialised

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 Poynting Antennas where he concentrated his efforts on management and sales of large Defence-related projects.

Pieter Nicolaas de Waal (39)
BScEng(Mech) (Stell) MBA (Navarre)
Non-Executive Director

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 Private Equity.

Andries Mellet (31)
BCom(Acc) (Stell) CA(SA)
Non Executive Director
Resigned from Board on 24 October 2014 to take up position as Chief Operating Officer

Dries joined Poynting full time on 10 September as an executive director and will be acting in the role of COO. Dries completed his articles with PricewaterhouseCoopers and is a qualified chartered accountant. Dries was Financial Director of mCubed Holdings Limited between October 2010 and February 2011 and Financial Director of Capevin Holdings Limited between April 2012 and November 2013.

Dries is currently employed by PSG Private Equity, which invested in Poynting in December 2013

Villiers Joubert (52)
BIng (Elec) (Pretoria)
Executive Director : Managing Director Aucom

Villiers has over 27 years of experience in the broadcast and satellite communication industry. Mr Joubert is currently the Managing Director of African Union Communications Proprietary Limited, a major subsidiary of Poynting. After qualifying with a B Ing Electronics from the University of Pretoria he worked for the SABC and proceeded to hold management positions in some of the leading private sector companies in the broadcast and satellite communication industry in South Africa.

Zuko Ntsele Kubukeli (41)
BSc (Medicine) Hons PhD (UCT)
Independent Non-Executive Director

Zuko is the executive director responsible for strategy and acquisitions of Pan-African Capital Holdings Proprietary Limited, which involves a number of appointments to listed and unlisted companies. He is a principal of the first cleantech private equity fund in Africa, Inspired Evolution Fund, and principal of the Pan-African Private Equity Fund 1. Zuko has been extensively involved in sourcing, structuring and managing investments for the funds as well as raising capital. Previously, he was executive director of the Specialised Funds division at Brait, a South African blue-chip private equity company. He was involved in devising the company's investment philosophy, criteria and process in selecting hedge fund managers from the universe of managers in South Africa and abroad.

Bernd Johannes von Gottberg (47)
BScEng(Aero) (Wits) BCom(Acc) PGDA (UCT) CA(SA)
Financial Director

John began his career as an aeronautical engineer, working in South Africa and abroad, before choosing finance as his career path and subsequently qualifying as a chartered accountant in 2000. He spent six years with KPMG in advisory services before moving into commerce. For the last four years he was the Chief Financial Officer for a South African retail & technology business which has operations in seven countries. Prior to that he served for four years as group financial manager for AVI Limited as well as being a director of a number of its subsidiaries. He brings with him experience in finance, technology, information systems, and operations.

Strategic Review

The Defence Divisions 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 secure revenues. The Commercial Division's clients require low cost antennas with superior manufacturing technologies, providing clients with products that are able to compete meaningfully in terms of both price and performance in the international market.

Poynting is striving to ensure that we are recognised as the preferred supplier of innovative antenna products and solutions locally and internationally.

Poynting and its employees are committed to act honestly, fairly, ethically and with integrity and to conduct themselves in a professional, courteous and respectful manner and 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.

The Commercial Division continued to invest in product development which is a major growth driver to ensure we can compete and surpass the technology currently available in the marketplace, supported by manufacturing of high volume products in China, which should provide cost benefits, scalability and better logistics to deliver products to international customers. Combining the design excellence from Poynting with the production efficiencies of our Chinese partners is of considerable strategic importance and ensures our international competitiveness.

The turnover of the Group has grown significantly with Defence providing real revenue growth and the acquisition of Aucom providing access to a new market segment. The focus now will be on internal efficiencies and profitability.

The Board feels that we can continue to embark on more aggressive turnover growth by investment in new products, mergers and acquisitions and 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:

Strengths

- Being in the business for 12+ years (indicative of stability and experience);
- Strong technical competence;
- Strong sales teams and sales channels;
- Improved controls (finance/projects/materials);
- Qualified and experienced staff;
- Wide range of quality, world-class, competitive products;
- Client relationships which allow meeting/ understanding of unique market/client requirements; and
- A strong "know-how" and IP portfolio.

Opportunities

- New product areas such as Defence communication antennas and DTV products;
- Spread our global footprint – we are still a "small fish" in a very large pond, offering lots of potential; and
- We attract a lot of development work for products which has given us more IP and existing items to sell.

We experience the following weaknesses and pressures that might have an impact on our growth rate going forward:

Weaknesses

- The antenna market in South Africa is limited and expansion internationally takes time and responsible planning;
- Major telecommunications players are delaying some of their major capital expenditure programs which in turn would have a direct impact on the amount of equipment we can supply.

Pressures

- Exchange rate fluctuations;
- Staff retention - loss of IP should key staff members leave;
- The brain drain from South Africa with the concomitant inability to find new qualified personnel to grow the business; and
- Quality parts/inputs from supply chain, especially machined items.

Chairman's Review

"Over time I've learned, surprisingly, that it's tremendously hard to get teams to be super ambitious. It turns out that most people haven't been educated in this kind of moonshot thinking. They tend to assume that things are impossible, rather than starting from real-world physics and figuring out what's actually possible." Larry Page

From the Head of the Table

Preparing for a Poynting board meeting earlier this year, I thought to myself: time at Poynting should be measured in dog-years - it flies past much faster than any other place I am involved at!

The financial year of 2014 has been no exception. To top it off, the six months since year-end, brought the biggest changes since the company's listing in 2007.

I mused over Larry Page, Google founder and CEO's words: "Over time I've learned, surprisingly, that it's tremendously hard to get teams to be super ambitious. It turns out that most people haven't been educated in this kind of moonshot thinking. They tend to assume that things are impossible, rather than starting from real-world physics and figuring out what's actually possible." If anything, Poynting had no lack in the talent of "moonshot" thinking.

But first things first. Financially, it was a good year. The Defense business is growing the top and bottom line year-on-year, and is consolidating its position as a global player in the niche market of specialized defense antennas. The business will seek to further consolidate its international presence by looking at establishing a physical presence in territories closer to its core markets in the near future. Judging the business by its forward order book and the quality of its clients, we have every reason to believe that the future shines brightly for this pillar of Poynting's strategy.

The Aucom acquisition and integration was successfully concluded in the period under review. Unfortunately, due to unforeseen regulatory rulings, the consolidation of Aucom's contribution to the group, lead to a rather complicated set of results, requiring special explanatory notes by management. This distracted some of the positive message that should have emanated from this important milestone in the execution of Poynting's strategy. Nevertheless, Aucom is now a key part of Poynting, performed according to expectation for the period under review, and is set to contribute its part to the results of the group in the years to come. Digital content and the distribution thereof is one of the future playing areas, and Poynting is now solidly positioned to earn a share of this space. We welcome the managing director of Aucom, Villiers Joubert, onto the Holdings board.

At year-end, John von Gottberg joined Poynting Holdings as new CFO. On behalf of the Board I would like to thank Johan Ebersohn, our outgoing CFO, for many years of committed service. Johan will join the Aucom executive team and in that contribute his experience and energy to this important part of our business. Dries Mellet has resigned from the board to take on the role of COO, in order to bolster the operational management of the group. We also thank Dries for his service and appreciate his willingness to take on a new challenge. During October 2014,

Chairman's Review

Nico de Waal joined the board as non-executive. We welcome Nico onto the team, and will be leaning on his analytical thinking skills in refining our strategy in the months ahead.

Back to the most important happening since the listing of Poynting. After 7 years as a listed entity, the board spent an extraordinary amount of time in the period following year-end to rethink our strategy. Straight talking has always been a trademark of the way Poynting conducts business, and this time around was no exception. The particular challenge Poynting faced, was to find the right mix of innovation, profitable growth and pace of global expansion. Growing from an entrepreneurial start, based on innovative own products and first-mover advantage, to a listed entity which has to live up to the expectations of investors, in a fast-moving field of technology, is a very challenging mission indeed. Taking into consideration that all this happened in less than a decade, you get the picture.

Our Defense business is a direct result of this innovation-driven strategy. Strangely enough, the Commercial products business fought an uphill battle for the last couple of years in essentially the same technology space. This could seem counterintuitive, since this business is focused at the rapidly growing market of mobile voice and data communications. The reality is however, that the products for this market sell at relatively low unit costs, which implies a global distribution network in order to capture value. The South African market on its own can at most be a beta market. Competition in this segment is fierce, with gross margins always under pressure. Hence the decision of the company to relocate production to China three years ago. On top of this, you need to stay ahead of the pack by introducing new products all the time. This requires a very specific risk appetite from shareholders, as well as a long term view.

At the same time, our Defense business faces challenges of its own. It is, as said, well positioned to further grow as a niche global player. This requires investment into the establishment of a global footprint, as well as continuing product innovation. Aucom would like to expand its operations and value chain, also requiring some significant investment.

The extreme opposing demands posed by a highly innovative, long-term perspective business on the one hand and a rapidly growing, profit-making business on the other hand, could no longer be accommodated in the same group. The board therefore thought it best to spin out the Commercial Products business. Our current CEO and founder of Poynting, Dr Andre Fourie, opted to stay with this business and offered to purchase these business units. He and the team involved in these business units will therefore leave the Poynting Holdings stable and the transaction should be concluded when you peruse this report.

An event like this is traumatic in the history of any company. As chairman, it was extraordinary difficult for me to guide everybody through this period. But I can report that the whole process was conducted in a very open, transparent, and most importantly, empathetic way. The long term future of all business entities remained the key consideration all the time.

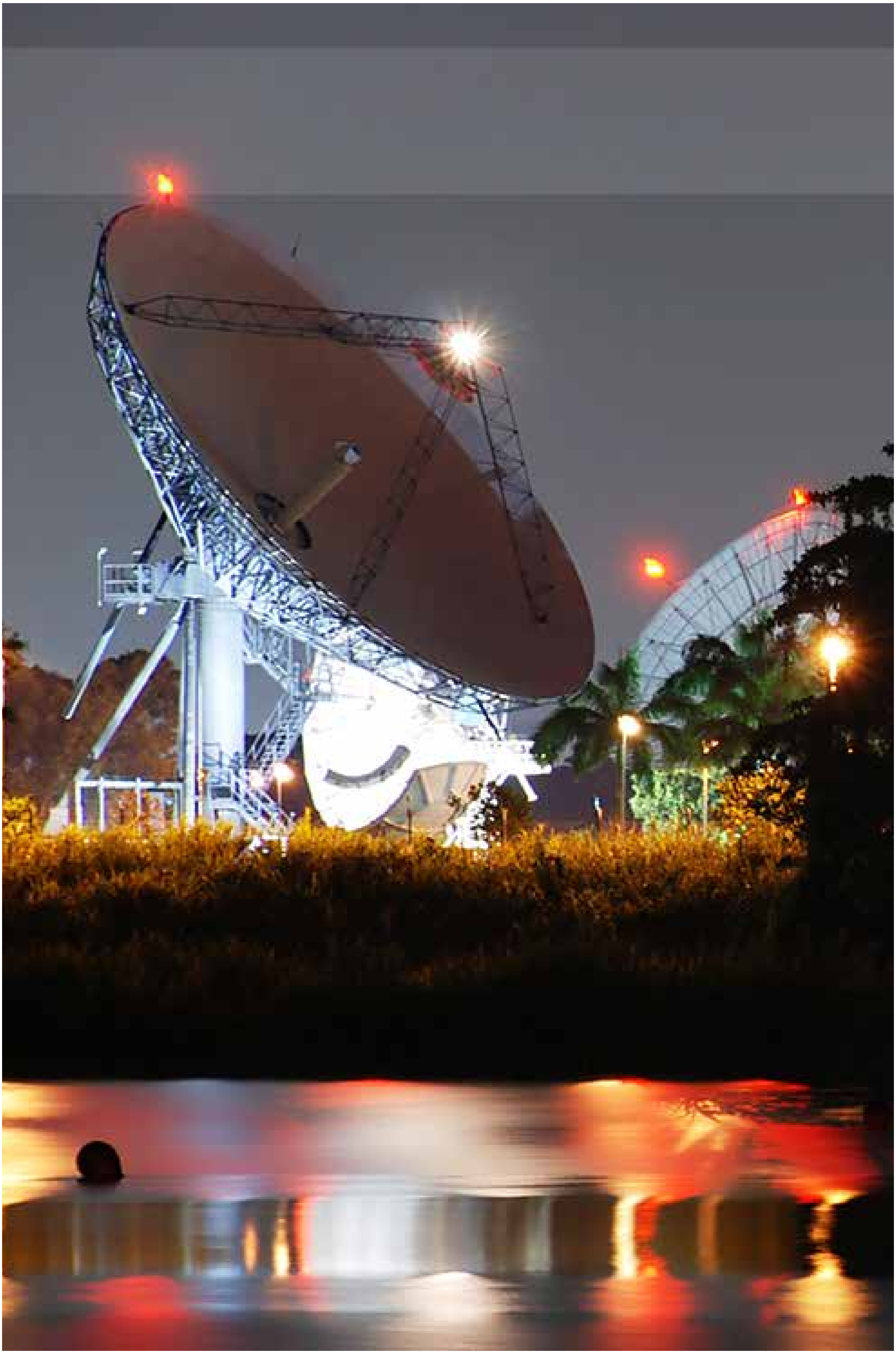
I want to convey a sincere thank-you to Andre for bringing us to where we are today. In my mind, Andre is the closest I will ever get to the South African version of a Steve Jobs. We wish him and his team all the best in making wireless happen via his new endeavor.

Poynting's continued investment in leadership development bore further dividends, with Juergen Dresel, current managing director of the Defense unit, stepping to the plate to act as interim group CEO. Juergen is a seasoned manager and has built the Defense business from scratch to what it is today. With the focus on the global expansion of the Defense business in the medium term, Juergen is well positioned to provide direction and leadership, and the board will assist him to our best in this regard.

With this, we are now entering a new era in the history of Poynting. On behalf of the board, I would like to salute the management team and all Poynting employees for their dedicated effort and positive attitude as they give meaning to life by fully committing themselves for a cause we all believe in.

To my fellow board members - thank you for your trust and open conversation. If I may echo the words of Larry Page: "If you hire the right people and have big enough dreams, you'll usually get there. And even if you fail, you'll probably learn something important."

Coen Bester
Poynting Chairman



CEO's Review

Message from our outgoing CEO

The financial results this year have a number of IFRS reporting requirements and once off transaction costs which present a confusing and unrealistic picture to investors.

The single biggest distortion of the results is the complex accounting treatment of the African Union Communications Proprietary Limited ("Aucom") acquisition:

- On 28 February 2014 the shareholders approved the issue of 66 million shares in Poynting Holdings at 75c per share for the acquisition of Aucom, which amounted to a purchase consideration of R49.5 million, as valued at 1 July 2013.
- The sellers of Aucom shares agreed to a three year profit warranty. If they do not meet the profit target, the 66 million shares will adjust downwards, to a minimum 16.5 million Poynting Holdings shares.
- In terms of IFRS3 (Business Combinations) the transaction has to be accounted for as both equity (the minimum 16.5 million Poynting Holdings shares payable) and a liability (the 49.5 million Poynting Shares we could potentially claw back from the sellers together with the possible outperformance payment)
- The Aucom acquisition was contractually concluded in early July 2013 at a purchase consideration of 66 million shares with a market value of 75c at that time. IFRS3 mandated an effective date of 28 February 2014 by which time the Poynting share price increased to 271c. IFRS3 requires the asset to be valued at this share price resulting in an unrealistic value of R178.9 million. The year-end valuation of Aucom amounted to R82 million (compared to R49.5 million at the time of concluding the transaction) and an impairment of R95 million was required. The impairment reflects as an expense and reduces profit by this amount.
- The 49.5 million shares which are held back in support of the profit warranty was recognised as a "liability" of R134.1million even though the shares to settle that liability are already issued but can be clawed back if profit warranties are not met. The increase in share price from 271c to 290c between March and June 2014 generated a further R9.4 million increase in the liability which is recognised as a "loss". This liability will continue to be valued through the income statement in line with the movement of the share price until all profit warranties are met. Shareholders are advised to expect further volatility in earnings for the next two financial years as any increase in the share price will result in accounting losses being recognised.
- The group incurred transaction costs totalling R2.4 million in respect of the Aucom acquisition and R1 million respect of the issue of the Preference Shares which under IFRS had to be expensed, although both expenses are "once off" and will be of enduring benefit to shareholders.
- In summary: Poynting made an acquisition, on favourable commercial terms, which is already showing good performance. This is however not reflected in the IFRS financial statements as the 287% increase in the Poynting share price resulted in unrealistic accounting losses and a balance sheet which does not accurately reflect the financial position of the group.

In an attempt to provide a more realistic reflection of Group performance, the table below provides an "Adjusted EBITDA" and "Adjusted PAT". The adjusted figures were calculated by excluding the distortions referred to above as well as consolidating Aucom results for 12 months instead of the 4 months as required by IFRS. The adjusted "realistic" results demonstrates that, despite the disappointing results from Commercial and CCS, the Group is much better positioned than in the past and provides a good base for growth going forward.

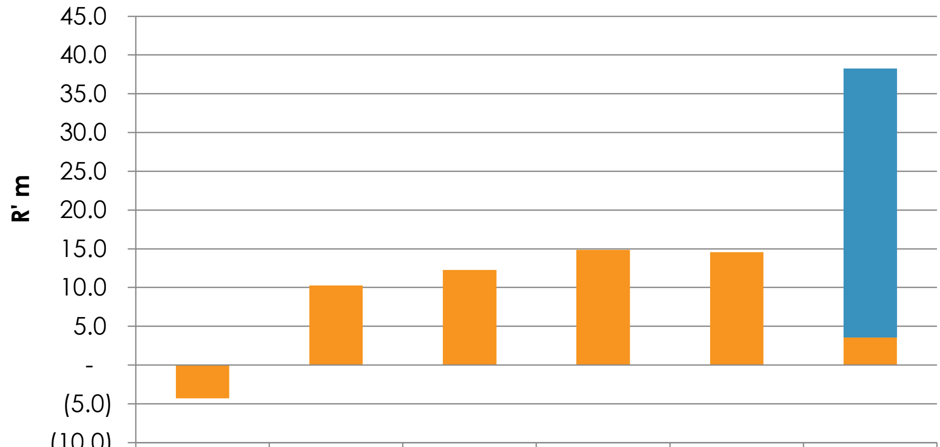
	Turnover 2013 (Rm)	Turnover 2014 (Rm)	EBIDTA 2013 (Rm)	EBIDTA 2014 (Rm)	Adjusted* EBITDA 2014 (Rm)	PAT 2013 (Rm)	PAT 2014 (Rm)	Adjusted* PAT 2014 (Rm)
Defence	47.3	76.6	13.3	23.2	23.2	9.1	15.8	15.8
Commercial	36.1	32.4	3.7	(2.7)	(2.7)	0.3	(4.6)	(4.6)
CCS	6.3	3.8	(2.4)	(5.3)	(5.3)	(2.2)	(4.0)	(4.0)
Skunkworks	-	0.1	(0.1)	(3.6)	(3.6)	(0.3)	(3.1)	(3.1)
DTV (Note 1)	-	19.2	-	(8.0)	13.8	-	(111.3)	13.8
Fair value adjustment of Aucom contingent consideration shares (Note 2)					9.4			-
Acquisition costs and share issue expenses (Note 3)					3.4			3.4
TOTAL	**89.7**	**132.1**	**14.5**	**3.6**	**38.2**	**6.9**	**(107.2)**	**21.3**

* The adjusted EBITDA and PAT shows normalised results to provide a realistic comparison to 2013. The following adjustments were made:

Note 1: Aucom results consolidated for 12 months instead of 4 months as required by IFRS. The 12 month EBITDA for Aucom was R18.5m and full year PAT was R13.8m.

Note 2: Add back fair value adjustment of R9.4m due to increase in share price between 1 March 2014 and 30 June 2014

Note 3: Add back of once off transaction costs of R3.4m in respect of the Aucom transaction and the issue of Preference Shares.



	2009	2010	2011	2012	2013	2014
Adjusted EBITDA	-	-	-	-	-	38.2
EBITDA	(4.3)	10.7	12.3	14.8	14.6	3.6

Adjusted balance sheet indicators are also provided to give a better reflection of company financial position:

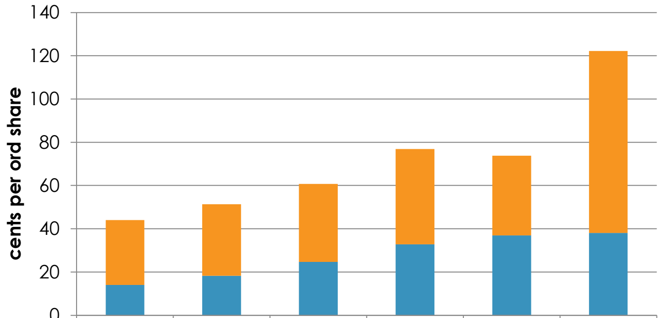
Balance sheet	**2013 (restated) Rm**	**2014 (actual) Rm**	**2014 (adjusted)* Rm**
Equity	48.6	12.3	146.5
TNAV	34.6	(67.8)	66.3

*the adjusted figures exclude the acquisition reserve of R134.2m

The growth in adjusted equity reflects the issue of shares to PSG Private Equity for cash and to the sellers of Aucom. The increase in adjusted tangible net assets is largely due to the acquisition of Aucom into the group which added R22.2m of assets.

CEO's Review

Message from our outgoing CEO



	2009	2010	2011	2012	2013	2014
NAV per ord share (cents)	30	33	36	44	52	84
Tangible NAV per ord share (cents)	14	18	25	33	37	38

Commercial and CCS cost shareholders money but cash generation remained strong at DS and DTV resulting in the overall group reporting higher cash generated by operations of R7.9m compared to R6.4m last year.

Previous year restatement

Poynting Antennas had previously performed product development work for Aucom before a possible transaction to acquire Aucom was considered. Since this product falls into the consumer market, Aucom felt it could be better exploited by Poynting Commercial division and transferred the existing Intellectual Property on the SunPoynt TV to Poynting in exchange for sharing profits from future sales of the product. Poynting previously accounted for this work as income - a reimbursement of product development expenditure - but following the acquisition of Aucom it transpired that this had not been accounted for correctly which required restatement of the accounts to reflect a liability.

BUSINESS OVERVIEW

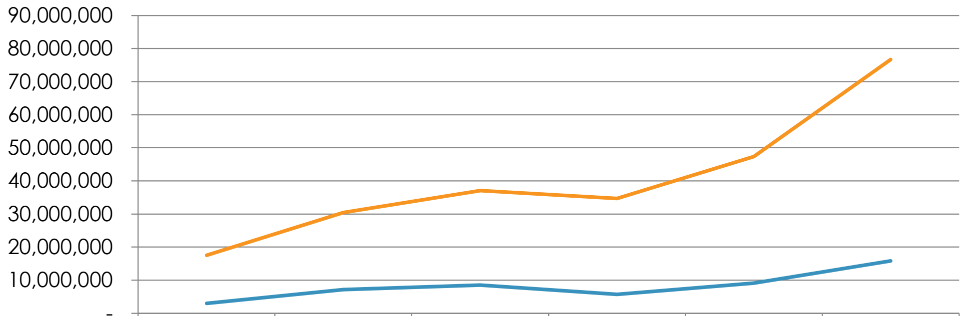
Despite the improved financial position and performance as illustrated when recalculating adjusted PAT and adjusted EBITDA, we still consider the overall Group profitability for the 2014 financial should have been better - the losses in the Commercial and CCS divisions were disappointing.

Defence & Specialised

The Defence Division delivered exceptional growth with profit after tax increasing by 74% on the prior period. This was somewhat assisted by the weakness in the Rand, due to the high ratio of export orders which are denominated in currencies other than the ZAR, whilst maintaining an almost exclusively South African cost base. The division continued to grow credibility in its various markets, which results in less dependence on individual customers.

DS historic 5 year performance is summarised below:

Defence & Specialised



	2009	2010	2011	2012	2013 Restated	2014
Revenue	17,521,122	30,477,066	37,104,875	34,662,287	47,337,878	76,653,129
Profit after tax	2,974,302	7,182,009	8,502,980	5,705,676	9,100,561	15,816,150

DTV

DTV performance was better than expected with Aucom reporting a R13.7 million full year profit which was 24% above the profit target level of R11 million for the year. Although the accounting treatment did not allow inclusion of the full 12 months in Group results we are nonetheless satisfied with the performance of this acquisition and market conditions for DTV infrastructure rollout in Africa remain robust. Aucom has strengthened its management team in areas of finance and operations which should ensure that their Chief Executive Officer and his experienced sales team can spend more time on new business development.

CCS

CCS is a start-up division in its own right. Now in its 3rd year, we can see that there is increased interest for the Subterranean ("SubT") base station which was a product ahead of its time, with the major cellular operators expressing interest only recently. The group continued its investment in product development to ensure relevance to the market, which resulted in a loss of R4.0 million for the year. Poynting had its first minor success with SubT trials with Vodacom. The City of Johannesburg awarded a tender to several companies to rent and use Johannesburg street light poles as mini base stations. Operators such as Vodacom, MTN, CellC and others are planning to make use of this opportunity to deploy in excess of 1000 mini base stations to improve customer experience for Johannesburg cell phone users.

Corrective actions to improve CCS profitability:

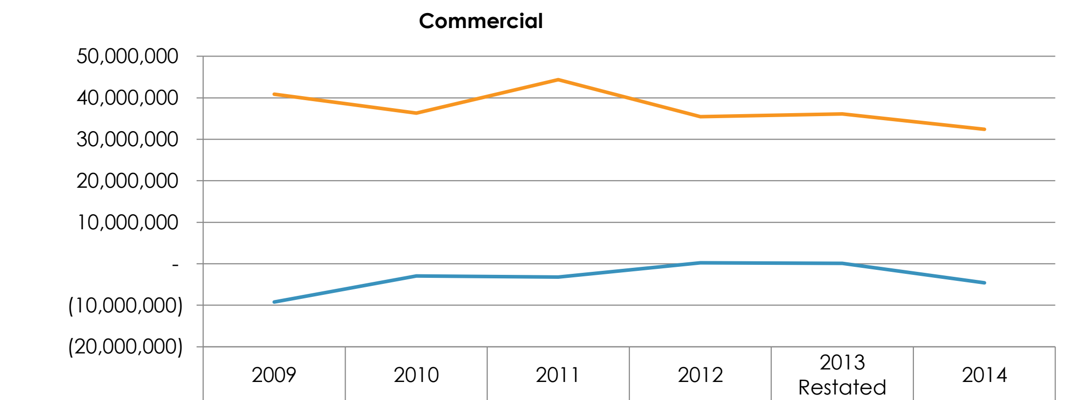
- CCS expenses and resources are strictly monitored to ensure economic use. Further development will be limited and product completion will be based on confirmed orders.
- Ongoing discussions with big role players in the industry are underway and currently undergoing trials.

Commercial

Commercial performance this year was disappointing and getting this division to breakeven and back to profitability is a priority for the year ahead.

The Commercial division restructured its South African sales channel, with a split of Direct-to-Reseller and Direct-to-Consumer activities. The move of commercial product production from South Africa to China also absorbed management time, resulted in increased operational costs and stock write offs. Revenue declined by 10% mostly due to reduced sales to Europe.

Commercial historic 5 year performance is summarised below:



	2009	2010	2011	2012	2013 Restated	2014
Revenue	40,894,987	36,335,295	44,370,061	35,457,188	36,146,227	32,426,056
Profit after tax	(9,218,501)	(2,969,530)	(3,197,843)	212,208	93,803	(4,594,850)

The group has undertaken the following actions to improve Commercial profitability:

- A renewed focus on driving revenue, and developing focussed sales channels.
- Addressing sales declines in the European market
- Focus on supplying 4G/LTE products which are well differentiated and IP protected.

Skunkworks

Skunkworks have novel and Intellectual Property rich products with consumer market appeal. The product development activities currently in "SkunkWorks" have some products reaching maturity which will hopefully exploit real market demand.

Andre Fourie
Outgoing Poynting CEO

CEO's Review

Message from our incoming CEO

The year 2014 was a turbulent time for the Poynting Group as the Group experienced a significant number of changes. We changed our anchor investor. Connexus went out and PSG came in. We changed our Financial Director. Johan Ebersohn moved to another part in the Group, where his turnaround skills are invaluable, and John von Gottberg came in as the new Group Financial Director. And then there were / are a number of operational changes: We obtained our first anechoic chamber, we moved to larger premises from Wynberg to Samrand, we upgraded our paint facilities and we are in the process of upgrading our ERP system.

All these changes culminated in the selloff of our "COMPART" right towards the end of this calendar year. The Commercial antennas, CCS (Cellular Coverage Solutions) and Skunkworks technology divisions / companies (collectively referred to as "COMPART") are all currently loss-making, and as illustrated above have been generating losses for some time.

After a critical review of the business prospects, ("the Board") resolved to either close or dispose of some of the COMPART business divisions for the following reasons:

- The losses in COMPART are too big relative to the profitable segments within the Group; and
- It would take significant time and further investment to make these businesses profitable and it is uncertain how long it will take for these units to become significant profit contributors to the Group.

In exploring the aforementioned decision whether to close or dispose of some or all of these business divisions / companies, the Group received an offer from its CEO, Andre Fourie, to acquire the divisions and legal entities which make up COMPART. The Board has considered the offer, consulted with large shareholders of Poynting Holdings, including the vendors of Aucom and PSG Private Equity Proprietary Limited, and are of the view that the sale of these divisions will be for the benefit of all shareholders.

Andre Fourie stepped down as the CEO of Poynting Group as he has elected to focus on the COMPART business. I have accepted the Group CEO role, and will be acting in this position in the interim, directing implementation of the Group's strategy.

In this new capacity and on behalf of Poynting Holdings I would like to thank Andre for advancing the company to what it is today. I also wish to take this opportunity to express my personal gratitude to Andre from whom I learnt a lot over all the years.

PROSPECTS

As of the 1st of December 2014 the Poynting Group comprises of Poynting Defence and Specialised (PDS) and Aucom. The sale of the loss making divisions and companies will reduce the complexity of the Poynting Group significantly. The focus for the next 6-12 months will be to ensure organic growth and improved profitability of the PDS and Aucom businesses.

The group will be client focused and it will be imperative for us to find the correct mixture between investment and profitability.

Aucom continues providing end to end solutions for radio and TV broadcasters. The business has specific expertise in digital television distribution, multiscreen and over-the-top (OTT) systems. Aucom is well positioned to assist broadcasters with the migration to digital television and radio services across Africa. Opportunities in South Africa remain and Aucom will continue to grow their revenue in the rest of Africa. Aucom is still subject to a cumulate profit warranty of R38 million ending 30 June 2016.

For the global defence, security and telecommunications markets, PDS delivers on time high quality antenna solutions offering customisation supported by technical and service excellence. PDS has been the trusted and innovative partner to its clients for over a decade. Our clients are located across the globe, mostly outside of South Africa (Americas, Europe and Asia) and operate mainly as system integrators, frequency spectrum regulators and in the homeland security market space. PDS has consistently grown turnover and profits since establishment in 2005. Our operational EBIT has grown with a CAGR (Cumulative Annual Growth Rate) of more than 24% over the past 9 years. Our organic growth is achieved by continuously adding new and innovative products into our product portfolio and being on the lookout for new market segments where our core competencies find application. Management is optimistic about the growth potential of this business.

We maintain the existing acquisition pipeline and continue engaging with potential targets, locally and internationally, where it makes strategic sense. The Group has been looking to secure a European and / or USA footprint to support the PDS product range and distribution potential and to continue to grow the Aucom customer base and offering.

Jürgen Dresel
Incoming Poynting CEO

Financial Director's Review

Highlights of the year

The year started positively with the significant acquisition of African Union Communications (Aucom). Unfortunately, for regulatory reasons, Aucom was consolidated only from 1 March 2014, and so although it beat its profit warranty, this is not reflected in the group results.

The Aucom transaction was complex from an accounting standards perspective, and tested everyone's knowledge and application of International Financial Reporting Standards. This highlighted the need to strengthen and consolidate the finance team, which is currently underway.

Revenue growth for the group was 47% from R89.7 million to R132.1 million. Of this growth, Defence contributed R29.3 million (up 61% on the prior year) and Aucom provided a further R19.2 million in its four months as part of the group. Commercial revenue declined by 10.3%.

As discussed elsewhere in this report, the net profit after taxation is severely distorted by the fair value adjustments and impairments arising from the delay in recognition of the Aucom transaction, and the impact of the change of the Poynting share price had on the purchase price. At the underlying operations level, Defence grew profit after tax by R6.7 million (73.8%) to R15.8 million. Commercial, CCS and Skunkworks recorded a loss after tax of R11.7 million, which was R9.5 million worse than in 2013. In its first four months as part of the group the Digital TV segment contributed a loss of R6.9 million, largely as a consequence of timing in some of its large projects, and so the group could not benefit from the R13.8 million profit after tax earned by Aucom during the year.

A further big change was the entry of PSG Private Equity as an investor in the group, both as an ordinary shareholder and as provider of further capital through preference shares. During the course of the 2014 financial year PSG have invested R76.3million in the group, which is earmarked principally for acquisitions.

Net cash from operating activities was R7.9million, 23% higher than last year, and is reflective of the financial health of many of the underlying businesses. Ongoing investment in product development resulted in an outflow of R11.3million, and a further R3.2million was invested in plant and equipment. The group ends the year with a net cash position of R85.8million.

Sustainability of revenue and profits

We are confident that the core businesses will be able to sustain revenue and profit growth in the next year, independently of acquisition activity. A key challenge will be to ensure that financial management of the business units maintains focus on getting the basics right and driving profitability, without being distracted by ongoing acquisition activity.

Investors are advised to consider the impact of the fair value adjustments of the Aucom contingent purchase consideration, which will remain a feature of the group's results for the next two financial years. This is expanded on in Note 40 "Risk management - Financial instruments carried at fair value" of the annual financial statements.

Intangible assets and amortisation

Continued product innovation and development, the competitive edge of Poynting, resulted in the capitalisation of R11.3 million intangible assets in the year, which was 37.8% higher than the R8.2 million invested in 2013. Several patent and registered designs were filed during the year. Depreciation and amortisation of R10.5 million was higher than the R7.7million in the prior year, and will be further impacted in the years ahead by the amortisation of intangibles arising from business combinations.

Dividends

With its present strategy of growth by acquisition, Poynting is conserving its cash resources and the Board has decided against declaring a dividend for the financial year ended 30 June 2014.

Change in Financial Director

The Company is very happy to report that the outgoing Financial Director, Johan Ebersohn, has stayed within the Group. Johan will bear new responsibilities at Aucom and continue to add value as he has done during his time to date with Poynting. We thank him for his contribution.

John von Gottberg
Poynting Group Financial Director

Corporate Governance

The Board recognises the need to conduct the affairs of the Company with integrity and in compliance with the King Code of Governance Principles, as set out in the King III Report ("King III"). The directors are of the opinion that the Group has complied with King III in the past year, except where otherwise indicated. The Board will ensure that the principles and best practice recommendations that are applicable to the Group are implemented and complied with in the new financial year, while 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

In terms of the Companies Act, the directors are responsible for the preparation, integrity and fair representation of the annual financial statements of Poynting. The financial statements have been prepared in terms of the recognition and measurement requirements of the International Financial Reporting Standards ("IFRS"), presentation and the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended, the SAICA Financial Reporting Guides as issued by the APB and the Listings Requirements of JSE Limited. To enable the Board to fulfill its responsibility, 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

Poynting retains a unitary Board structure. The Board consists of three executive directors and three non-executive directors. The non-executive directors are experienced professionals who make a significant contribution towards the Board's deliberations and decisions.

The roles of the Chairman and Chief Executive Officer 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 Chairman is an independent non-executive director who, together with the Chief Executive Officer, 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. 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 Chairman, 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 Chief Executive Officer 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, remuneration and investment 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 is responsible for the Group's overall good corporate governance.

Director duties and responsibilities are prescribed by law. The Board discharges, inter alia, the following duties and responsibilities in the interests of good governance:

- Provide strategic direction to the Company, while appreciating that strategy, risk, performance and sustainability are inseparable. They also monitor the implementation of the strategy;
- Retain full and effective control of the Company while providing effective leadership;
- Act as the focal point for and custodian of corporate governance;
- Are responsible for the governance of risk;
- Seek the optimum balance for the Company between conformance with the dictates of good governance and performance;
- Ensure that the Company is and is seen to be a responsible corporate citizen;
- Communicate with stakeholders and ensure full, timely and transparent disclosure of all material matters;
- Review the size and composition of the Board in terms of the mix of skills-diversity and the requirements for the appropriate constitution of Board committees;
- Agree on the procedure to allow directors to obtain independent professional advice where necessary;
- Have agreed upon procedures to manage conflict of interest;
- Have unrestricted access to Company information and records;
- Delegate appropriate powers to management and monitor the exercise of that delegated power on an ongoing basis; and
- Are responsible for information technology governance.

The Chairman

The Chairman of the Board is an independent non-executive director. The roles of the Chairman and Chief Executive Officer remain separate. The Chairman'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 III and the JSE Listings Requirements. None of these directors participate in the share incentive scheme.

In addition, the independent non-executive directors:

- Were not representatives of any shareholder who has the ability to control or materially influence management or the Board;
- Were not employed by the Company or the Group in any executive capacity in the preceding three financial years;
- Were not members of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the Company or the Group in an executive capacity;
- Were not professional advisers to the Company or the Group, other than in the capacity as a director;
- Were not suppliers or material suppliers to the Company or Group, or to clients of the Group;
- Had no material contractual relationship with the Company or Group; and
- Were free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner.

Executive directors

The Chief Executive Officer's performance is evaluated annually by the Chairman and the remuneration 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 Chief Executive Officer is tasked with the running of the business and the implementation of policies and strategies approved and adopted by the

Corporate Governance

Board. The governance and management function of the Chief Executive Officer is aligned with that of the Board. In the delegation of responsibilities the Chief Executive Officer 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 in 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 nomination committee's terms of reference. The 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 III. 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 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 fulfillment 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 Chairman and directors, both individually and collectively, with advice on corporate governance, compliance with legislation and the Listings Requirements.

Company Secretary

The Board of directors has considered the competence, qualifications and experience of the Company Secretary, which is an independent entity. The Company Secretary, Merchantec Proprietary Limited, is an approved Sponsor and Designated Advisor of the JSE. The Board is satisfied with the secretarial function, that the relationship is at arms-length as well as with the experience of the senior members of the Company Secretary.

All directors have access to the advice and services of 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 Company Secretary is responsible for the functions specified in the Companies Act. All meetings of shareholders, directors and Board sub-committees are properly recorded, as per the requirements of the Companies Act.

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, so as to ascertain their level of performance and effectiveness.

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

Group executive committee

Andries Petrus Cronje Fourie - Chief Executive Officer (resigned 19 December 2014)

Juergen Dresel - Managing Director - Defence and Group Chief Executive Officer from 19 December 2014

John von Gottberg - Financial Director

Andries Mellet - Group COO

Villiers Joubert - Managing Director - Aucom

The responsibilities of the Group executive committee include:

- Monitoring and managing risk;
- Developing and implementing the Group strategic plan;
- Approving human resources policies and practices;
- Approving 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

ZN Kubukeli
Independent non-executive Director (Chairman)

CP Bester
Independent non-Executive Director (Member)

PN de Waal
Non - Executive Director (Member)

The independent external auditors and the Designated Advisor attend the 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 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 27 February 2015.

Role of the committee

The committee is aware of the King III requirement to have three independent non-executive members and is striving to comply. The Company's external auditors attend meetings by invitation. The audit 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 III. 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 III, and responsibilities assigned by the Board.

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 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 and fees and the approval thereof; and
- 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 annual financial statements with the independent external auditors and the Financial Director. The external auditor has unrestricted access to the Group's records and management.

Expertise and experience of the Financial Director and finance function

The audit 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, Mr BJ von Gottberg. 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 internal audit function is 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 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 committee

Members of the remuneration committee

PN de Waal
Non-executive Director (Chairman)

CP Bester
Independent non-executive Director (Member)

The committee is aware of the King III requirement and is striving to comply by adding a third independent non-executive member to the remuneration committee. The primary purpose of 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 and 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 the shareholders and to the financial and commercial health of the Group. Details of the directors' remuneration are set out on page 91 of this annual report. The Company upholds and supports the objectives of the Employment Equity Act 1998 (Act 55 of 1998). Poynting has implemented the Poynting Empowerment Trust for the benefit of its employees, the majority of whom come from previously disadvantaged backgrounds, strengthening its positioning as an employer of choice. The Company's employment policies are designed to provide equal opportunities, without discrimination, to every employee.

Remuneration policy

Poynting's 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.

Poynting structures packages on a total cost-to-company basis that allows individuals to structure their own pension, medical aid and other optional benefits. In addition, most executives qualify for individual and/or team performance incentives. 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

The Poynting Empowerment Trust incentivises individuals on a share based incentive scheme. The intention of the Empowerment Trust is to promote the effective participation in the Group of employees and to incentivise such employees.

The Board has approved a new share incentive scheme for key executives. Particulars of this scheme will be provided to shareholders for their approval at the next General Meeting.

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 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.

Nomination committee

Members of the nomination committee

ZN Kubukeli
Independent non-executive Director (Chairman)

CP Bester
Independent Non-executive Director (Member)

The nomination committee is limited to non-executive directors as required by King III Code. The committee acts in accordance with approved terms of reference, detailing the procedures for appointment to the Board of directors. Appointments are formal and transparent and a matter for the entire Board's consideration. The responsibility of the committee extends to both new directors and directors available for re-election. The committee considers the past performance of the director, his or her contribution to the Group and the objectivity of their business judgment calls.

Role of the nomination committee

The committee is responsible for identifying and evaluating suitable candidates for appointment to the Board. It ensures the optimal functioning of the Board and oversees its composition.

The nomination committee fulfills the following key functions:

- Recommending directors to the Board, ensuring that it has an appropriate spread of skills, experience and diversity;
- Assessing new directors and whether the basic requirements for directorship in the Companies Act are met;
- Performing background checks on individuals;
- Advising on the composition of the Board (structure, size and balance between non-executive and executive directors);
- The nomination committee and the Board evaluate whether collectively (but not necessarily individually) the audit and risk committee has the necessary skills to perform its function and responsibilities;
- Co-ordinating the Board evaluation process; and
- Involvement in the evaluation of the directors, as well as of evaluation procedures and results.

Investment committee

CP Bester

Independent Non-executive Director (Chairman)

ZN Kubukeli

Independent non-executive Director (Member)

The investment committee considers investments proposed by management regarding the Company and its subsidiaries and makes such recommendations to the Board as it deems necessary. The investment committee functions independently from the Board, but under an approved term of reference from the Board. The primary purpose of the investment committee is to consider projects, acquisitions and the disposal of assets in line with the Group's overall strategy.

The responsibilities and duties of the investment committee include, but are not limited to:

- Considering commitments, acquisitions or disposals in line with the strategy of the Group;
- Performing such other investment related functions as may be designated by the Board;
- Considering the viability of the capital project and/or acquisition and/or disposal and the effect it may have on the Group's cash flow, as well as its relevance to Group strategy; and
- Ensuring that due diligence procedures are followed when acquiring or disposing of assets.

Dealings in securities

In respect of dealings in securities of the Company as applies to the directors and the Company Secretary, the Chairman is required to authorise such dealings in securities, prior to deals being executed. An independent non-executive director is required to authorise the Chairman's dealings in securities, prior to deals being executed. All of 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 Listings Requirements of the JSE, the Company's directors and Company Secretary are prohibited from dealing in securities during closed periods.

The dealings by directors of the company or directors of major subsidiaries during the year were as follows:

Corporate Governance

Name	Company	Date	Nature of transaction	Extent of director's interest	Number of shares	Price
Richard Willis						
	Poynting Holdings Ltd	10/12/2013	Sale of shares on market	Indirect Beneficial	19 346	R 1.60
	Poynting Holdings Ltd	11/12/2013	Sale of shares on market	Indirect Beneficial	17 597	R 1.60
	Poynting Holdings Ltd	12/12/2013	Sale of shares on market	Indirect Beneficial	500	R 1.60
	Poynting Holdings Ltd	27/12/2013	Sale of shares off market	Indirect Beneficial	10 765 237	R 1.60
Maria Elisabeth Dresel (spouse of Jürgen Dresel)						
	Poynting Holdings Ltd	23/12/2013	Sale of shares on market	Direct Beneficial	30 000	R 1.99
	Poynting Holdings Ltd	30/04/2014	Sale of shares off market	Direct Beneficial	75 000	R 4.00
	Poynting Holdings Ltd	19/05/2014	Sale of shares on market	Direct Beneficial	12 300	R 3.50
	Poynting Holdings Ltd	19/05/2014	Sale of shares on market	Direct Beneficial	10 000	R 3.51
	Poynting Holdings Ltd	19/05/2014	Sale of shares on market	Direct Beneficial	700	R 3.52
	Poynting Holdings Ltd	30/05/2014	Sale of shares on market	Direct Beneficial	114 325	R 2.75
Juergen Dresel						
	Poynting Holdings Ltd	27/12/2013	Sale of shares off market	Direct Beneficial	2 000 000	R 1.60
	Poynting Holdings Ltd	31/12/2013	Sale of shares on market	Direct Beneficial	10 000	R 2.35
	Poynting Holdings Ltd	31/12/2013	Sale of shares on market	Direct Beneficial	18 590	R 2.30
	Poynting Holdings Ltd	31/12/2013	Sale of shares on market	Direct Beneficial	31 000	R 2.25
	Poynting Holdings Ltd	31/12/2013	Sale of shares on market	Direct Beneficial	123 346	R 2.20
	Poynting Holdings Ltd	02/05/2013	Sale of shares on market	Direct Beneficial	25 000	R 4.00
	Poynting Holdings Ltd	05/05/2014	Sale of shares on market	Direct Beneficial	20 000	R 4.00
	Poynting Holdings Ltd	30/05/2014	Sale of shares on market	Direct Beneficial	2 500 000	R 2.75
Brian Rainer (Designated adviser)						
	Poynting Holdings Ltd	27/12/2013	Sale of shares off market	Direct Beneficial	150 000	R 1.60
Dr N Starbuck Inc. (Dr N Starbuck, spouse of André Fourie)						
	Poynting Holdings Ltd	02/05/2014	Sale of shares on market	Indirect Beneficial	5 050	R 3.98
	Poynting Holdings Ltd	05/05/2014	Sale of shares on market	Indirect Beneficial	5 481	R 3.97
	Poynting Holdings Ltd	06/05/2014	Sale of shares on market	Indirect Beneficial	5 058	R 3.97
	Poynting Holdings Ltd	06/05/2014	Sale of shares on market	Indirect Beneficial	5 000	R 3.98
	Poynting Holdings Ltd	14/05/2014	Sale of shares on market	Indirect Beneficial	1 450	R 3.74
	Poynting Holdings Ltd	15/05/2014	Sale of shares on market	Indirect Beneficial	4 280	R 3.70
	Poynting Holdings Ltd	15/05/2014	Sale of shares on market	Indirect Beneficial	18 681	R 3.72
	Poynting Holdings Ltd	30/05/2014	Sale of shares on market	Indirect Beneficial	195 000	R2.75 - R2.77
MAS Trust (JSV Joubert, trustee and beneficiary)						
	African Union Communications (Pty) Ltd	02/05/2014	Sale of shares on market	Indirect Beneficial	200 000	R 4.00
	African Union Communications (Pty) Ltd	05/05/2014	Sale of shares on market	Indirect Beneficial	134 124	R 4.00
	African Union Communications (Pty) Ltd	30/05/2014	Sale of shares on market	Indirect Beneficial	2 000 000	R2.75 - R2.97
Rudolph Rashama						
	African Union Communications (Pty) Ltd	08/05/2014	Sale of shares on market	Direct Beneficial	30 882	R 3.80
	African Union Communications (Pty) Ltd	08/05/2014	Sale of shares on market	Direct Beneficial	118	R 3.90
	African Union Communications (Pty) Ltd	13/05/2014	Sale of shares on market	Direct Beneficial	14 127	R 3.80
	African Union Communications (Pty) Ltd	15/05/2014	Sale of shares on market	Direct Beneficial	24 700	R 3.80
	African Union Communications (Pty) Ltd	27/05/2014	Sale of shares on market	Direct Beneficial	4 446	R 3.00
	African Union Communications (Pty) Ltd	27/05/2014	Sale of shares on market	Direct Beneficial	2 974	R 3.00
	African Union Communications (Pty) Ltd	27/05/2014	Sale of shares on market	Direct Beneficial	42 580	R 3.00
	African Union Communications (Pty) Ltd	30/05/2014	Sale of shares on market	Direct Beneficial	1 070 000	R2.75 - R3.00
Andries Petrus Cronje Fourie Trust (trustee, beneficiary)						
	Poynting Holdings Ltd	30/05/2014	Sale of shares on market	Indirect Beneficial	2 000 000	R2.75 - R2.76
Tebogo Rashama						
	African Union Communications (Pty) Ltd	30/05/2014	Sale of shares on market	Direct Beneficial	2 200 000	R 2.75
	African Union Communications (Pty) Ltd	26/06/2014	Sale of shares on market	Direct Beneficial	250 000	R3.00 - R3.03

Analysis of shareholding

Please see the analysis of shareholding report on page 40.

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.

Nature and culture

Extracting the core aspects from Poynting's vision statement perhaps best describes the nature and culture of the Company:

- Our bedrock value is our belief that we shall succeed through clever innovative design;
- We shall provide products, information and advice with technical honesty and integrity;
- We prefer multicultural and diverse employees operating in small teams;
- Poynting teams enjoy working hard and are given a high level of autonomy, freedom and responsibility;
- All are encouraged to be brave and headstrong and must learn to thrive on challenges;
- Poynting is proud of our African roots, but always aims at international success; and
- Poynting's activities should benefit shareholders, employees and communities we encounter.

Employees

Poynting's 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 members are currently on study courses financed by Poynting. We also promote a healthy, secure and participative social and working environment for our staff and business associates.

Social responsibility

Poynting supported the establishment of the Tshwane East Manufacturing Incubation Center with an investment of R3 million. The Center supports the training of members of the Tshwane community who wish to enter into or advance their businesses in the manufacturing sector.

Political donations and affiliations

As a proudly South African concern, the Poynting Group supports the democratic system in South Africa and we do not make donations to individual political parties.

Going concern

The Board is satisfied that the Group has adequate resources to continue operating for the next 12 months and into the foreseeable future. The financial statements presented have been prepared on a going concern basis. The audit 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. Poynting believes that such communication is essential and endeavours to keep an open door policy with relevant stakeholders. During the period under review Poynting appointed an investor relations officer who manages the stakeholder relations and Group communications.

Designated Advisor

Merchantec Proprietary Limited

Transfer Secretary

Computershare Investor Services Proprietary Limited

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

Corporate Governance

Summary of meetings held

KEY:

Present	*P*
Absent	*X*
Apology	*A*
Alternate	*AP*
Not in office	*NIO*

Dates and attendance of Board meetings

	06 Sep 2013	04 Dec 2013	06 Mar 2014	27 Jun 2014
C Bester (Chairman)	P	P	P	P
A P C Fourie [3]	P	P	P	P
J Dresel	P	P	P	P
J Ebersohn [2]	P	P	P	P
JSV Joubert [4]	NIO	NIO	NIO	P
Z N Kubukeli	P	P	P	P
R C Willis [6]	P	P	P	NIO
C H J Douglas [1]	A	AP	AP	NIO
A Mellet [5]	NIO	NIO	P	P
R Ramnath-Kowlesar	Invite	Invite	Invite	Invite
Merchantec Proprietary Limited	Invite	Invite	Invite	Invite

Dates and attendance of audit and risk committee meetings

	04 Sep 2013	11 Sep 2013	27 Nov 2013	26 Feb 2014	11Jun 2014
Z N Kubukeli	P	P	P	P	P
R C Willis [6]	P	P	P	P	P
C Bester	A	P	P	P	P
A Mellet [5]	NIO	NIO	NIO	A	P
J Ebersohn [2]	Invite	Invite	Invite	Invite	Invite
R Ramnath-Kowlesar	Invite	Invite	Invite	Invite	Invite
Merchantec (Proprietary) Limited	Invite	Invite	Invite	Invite	Invite

Dates and attendance of investment committee meetings

	04 Sep 2013	04 Nov 2013	17 Dec 2013	10 Mar 2014
Z N Kubukeli	P	P	P	P
R C Willis [6]	P	P	P	NIO
A Mellet [5]	NIO	NIO	NIO	P
CP Bester				Invite
J Ebersohn [2]	Invite	Invite	Invite	Invite
A P C Fourie [3]	Invite	Invite		Invite
J Dresel	Invite	Invite		
M Dresel	Invite	Invite		
N Dharamall for Deloitte		Invite		

KEY:

Present	*P*
Absent	*X*
Apology	*A*
Alternate	*AP*
Not in office	*NIO*

Dates and attendance of remuneration committee meetings

	20 Sep 2013	27 Nov 2013	14May 2014
R C Willis [6]	P	P	NIO
A Mellet [5]	NIO	NIO	P
C Bester	P	P	P
J Ebersohn [2]	Invite	Invite	Invite
R Ramnath-Kowlesar	Invite	Invite	

Dates and attendance of social and ethics committee meetings

	04 Sep 2013	27 Nov 2013	26 Feb 2014	11 Jun 2014
Z N Kubukeli	P	P	P	P
C P Bester	P	P	P	P
R C Willis [6]	P	P	P	NIO
A Mellet [5]	NIO	NIO	NIO	P
J Ebersohn [2]	P	P	P	P
R Ramnath-Kowlesar	Invite	Invite	Invite	

1. CHJ Douglas	Resigned 05 March 2014
2. PAJ Ebersohn	Resigned 10 September 2014
3. APC Fourie	Resigned 19 December 2014
4. JSV Joubert	Appointed 09 June 2014
5. A Mellet	Appointed 20 December 2013, resigned 24 October 2014
6. RC Willis	Resigned 05 March 2014

Appointed after year end:

PN de Waal	Appointed 24 October 2014
BJ von Gottberg	Appointed 10 September 2014

King III Application
Compliance issues under review at Poynting

KING III PRINCIPLE AND RECOMMENDED PRACTISE	STATUS	EXPLANATION
The Board should ensure that there is an effective risk-based internal audit The Audit Committee should be responsible for overseeing of internal audit	Under review / Do not comply Under review / Do not comply	The Audit and Risk committee agreed 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 are effective, and forms a basis for the preparation of reliable financial statements
The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Under Review/ Do not comply	Three independent non-executive directors of which two non-executives are independent and three executive directors. The Board will review the recommendation of the nominations committee for another non-executive director that is independent

KING III Application

	Apply	Partially Apply	Under review / Do not apply
Ethical Leadership and Corporate Citizenship			
Effective leadership based on an ethical foundation	√		
Responsible corporate citizen	√		
Effective management of company's ethics	√		
Assurance statement on ethics in integrated annual report	√		
Boards and Directors			
The Board is the focal point for and custodian of corporate governance	√		
Strategy, risk, performance and sustainability are inseparable	√		
Directors act in the best interests of the company	√		
The Chairman of the Board is an independent non-executive director	√		
Framework for the delegation of authority has been established	√		
The Board comprises a balance of power, with a majority of nonexecutive directors who are independent			√
Directors are appointed through a formal process	√		
Formal induction and ongoing training of directors is conducted	√		

	Apply	Partially Apply	Under review / Do not apply
The Board is assisted by a competent, suitably-qualified and experienced Company Secretary	√		
Regular performance evaluations of the Board, its committees and the individual directors	√		
Appointment of well-structured committees and oversight of key functions	√		
An agreed governance framework between the group and its subsidiary Boards is in place	√		
Directors and executives are fairly and responsibly remunerated	√		
Remuneration of directors and senior executives is disclosed	√		
The company's remuneration policy is approved by its shareholders	√		
Internal Audit			
Effective risk-based internal audit			√
Written assessment of the effectiveness of the company's system of internal controls and risk management		√	
Internal Audit is strategically positioned to achieve its objectives		√	
Audit Committee			
Effective and independent	√		
Suitably skilled and experienced independent non-executive directors	√		
Chaired by an independent non-executive director	√		
Oversees integrated reporting	√		
A combined assurance model is applied to improve efficiency in assurance activities	√		
Satisfies itself of the expertise, resources and experience of the company's finance function	√		
Oversees Internal Audit			√
Integral to the risk management process	√		
Oversees the External Audit process	√		
Reports to the Board and shareholders on how it has discharged its duties	√		
Compliance with Laws, Codes, Rules and Standards			
The Board ensures that the company complies with relevant laws	√		
The Board and directors have a working understanding of the relevance and implications of non-compliance	√		
Compliance risk forms an integral part of the company's risk management process	√		
The Board has delegated to management the implementation of an effective compliance framework and processed	√		
Governing Stakeholder Relationships			
Appreciation that stakeholders' perceptions affect a company's reputation	√		
Management proactively deals with stakeholder relationships	√		

	Apply	Partially Apply	Under review / Do not apply
There is an appropriate balance between its various stakeholder groupings	√		
Equitable treatment of stakeholders	√		
Transparent and effective communication to stakeholders	√		
Disputes are resolved effectively and timeously	√		
The Governance of Information Technology			
The Board is responsible for information technology (IT) governance	√		
IT is aligned with the performance and sustainability objectives of the company	√		
Management is responsible for the implementation of an IT governance framework	√		
The Board monitors and evaluates significant IT investments and expenditure	√		
IT is an integral part of the company's risk management	√		
IT assets are managed effectively	√		
The Risk Committee and Audit Committee assist the Board in carrying out its IT responsibilities	√		
The Governance of Risk			
The Board is responsible for the governance of risk and setting levels of risk tolerance	√		
The Risk Management Committee assists the board in carrying out its risk responsibilities	√		
The Board delegates the process of risk management to management	√		
The Board ensures that risk assessments and monitoring are performed on a continual basis	√		
Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	√		
Management implements appropriate risk responses	√		
The Board receives assurance on the effectiveness of the risk management process	√		
Sufficient risk disclosure to stakeholders	√		
Integrated Reporting and Disclosure			
Ensures the integrity of the company's integrated report	√		
Sustainability reporting and disclosure is integrated with the company's financial reporting	√		
Sustainability reporting and disclosure is independently assured	√		

The full KING III compliance list is available on the Poynting website at www.poynting.co.za.

Risk Management Report

At Poynting we follow a strategic risk management process. Risks are tabled and quantified at each of the Audit and Risk Committee meetings, and at its meeting of 11 June 2014 discussed the following:

RISKS	POSSIBLE EVENTS	MITIGATION ACTIONS	ASSESSMENTS
Commercial turnover not growing	Continuing decline of commercial revenue performance as cheaper competitor products enter the market	Develop innovative products Monitor the market.	High
Dependency on a single sales channel	Commercial is very dependent on Poynting Europe, a distributor	Possible acquisition of Poynting Europe	High
New product development	Poynting needs to remain at the cutting edge of technology to combat competitors entering the specialised market	Constant research and development to enhance and improve the products available in the antenna market	Medium
Dependence on divisional contribution	The Poynting Group could place too much reliance on a single division for protifs, placing the Group at risk should that division experience a market downturn	Acquisition strategy in different market sectors to provide market diversification. Acquisitions in similar sectors to provide product diversification	Medium
Budget over runs	The Group could deplete the available cash resources	The Board and its sub-committees review the financial position of the Group at least on a quarterly basis.	Low

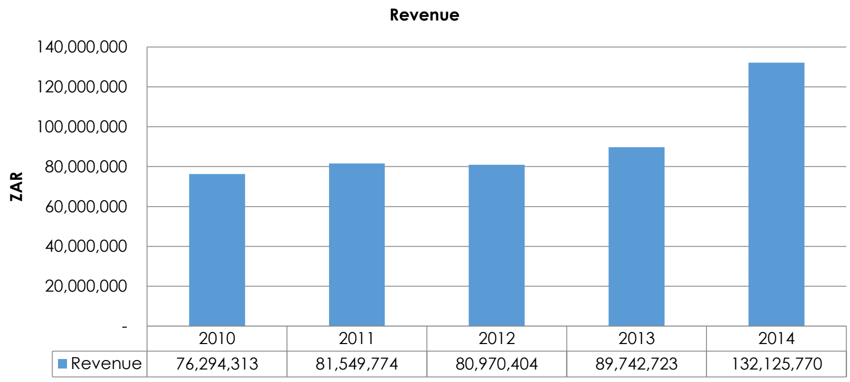
- Events that may lead to risks materialising are identified within the generic risk framework.
- Events are then assessed to quantify probability and potential financial impact on the business if they materialise.
- Preventative actions (probability) and contingent actions (impact) are identified to 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.

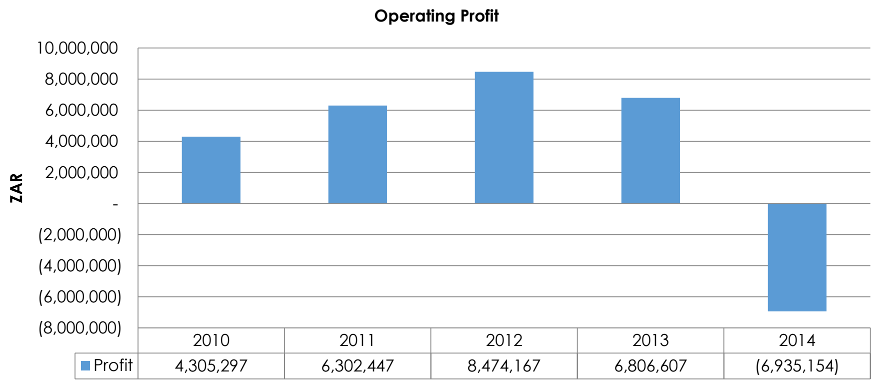
The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour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

Financial Overview

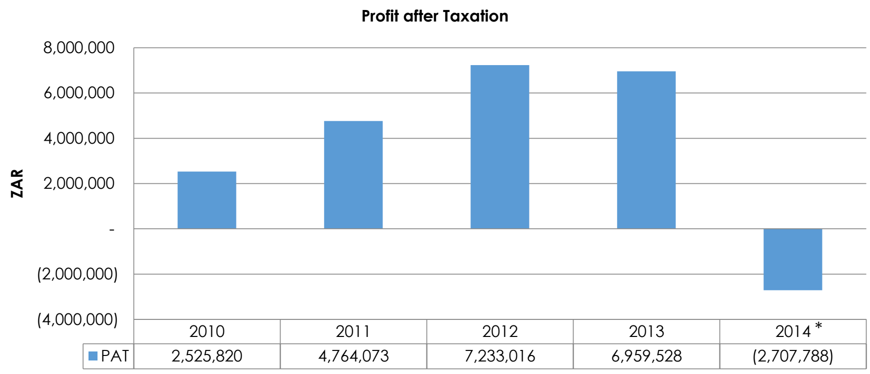
Five Year Financial Performance



	2010	2011	2012	2013	2014
Revenue	76,294,313	81,549,774	80,970,404	89,742,723	132,125,770

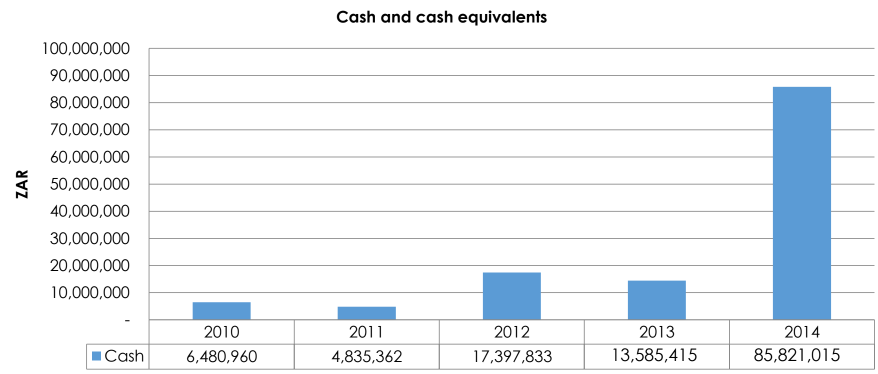


	2010	2011	2012	2013	2014
Profit	4,305,297	6,302,447	8,474,167	6,806,607	(6,935,154)



	2010	2011	2012	2013	2014 *
PAT	2,525,820	4,764,073	7,233,016	6,959,528	(2,707,788)

* excludes impairment of goodwill and fair value adjustments



	2010	2011	2012	2013	2014
Cash	6,480,960	4,835,362	17,397,833	13,585,415	85,821,015

Summary Financial Information

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rands	2010	2011	2012	2013 Restated	2014
Continuing operations					
Revenue	76,294,313	81,549,774	80,970,404	89,742,723	132,125,770
Cost of sale	(27,405,284)	(28,101,903)	(27,488,825)	(30,009,716)	(61,988,921)
	48,889,029	53,447,871	53,481,579	59,733,007	70,136,849
Gross profit margin %	64.08%	65.54%	66.05%	66.56%	53.08%
Other income	508,180	482,850	1,341,714	984,924	1,061,254
Operating expenses	(45,091,912)	(47,628,274)	(46,349,126)	(53,911,322)	(78,133,258)
Operating profit	4,305,297	6,302,447	8,474,167	6,806,609	(6,935,155)
Investment income	231,890	269,151	447,796	488,149	1,013,543
Impairment of goodwill & fair value adjustment					(104,451,278)
Finance costs	(1,123,331)	(730,322)	(386,862)	(58,063)	(161,628)
Profit before taxation	3,413,856	5,841,276	8,535,101	7,236,695	(110,534,518)
Taxation	(888,036)	(1,077,203)	(1,302,085)	(277,165)	3,375,451
Profit from continuing operations	2,525,820	4,764,073	7,233,016	6,959,530	(107,159,067)
Discontinued operations					
Loss from discontinued operations	-	(2,155,591)	-	-	-
Profit for the year	2,525,820	2,608,482	7,233,016	6,959,530	(107,159,067)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	2,525,820	2,608,482	7,233,016	6,959,530	(107,159,067)
	3.31%	3.20%	8.93%	7.75%	-81.10%
Total comprehensive income attributable to:					
Owners of the parent	2,536,921	2,608,621	7,240,633	6,959,528	(107,159,066)
Non-controlling interest	(11,101)	(139)	(7,616)	-	-
	2,525,820	2,608,482	7,233,017	6,959,528	(107,159,066)

STATEMENT OF CASH FLOWS

	2010	2011	2012	2013	2014
Net cash from operating activities	6,400,916	5,780,275	21,084,635	6,450,699	7,921,918
Net cash used in investing activities	(3,687,220)	(3,939,149)	(7,203,463)	(14,321,200)	(16,353,963)
Net cash used in financing activities	(927,011)	(3,361,479)	(1,816,758)	2,823,423	75,804,468
Total cash and cash equivalents movement for the year	1,786,685	(1,520,353)	12,064,414	(5,047,078)	73,998,040
Cash and cash equivalents at the beginning of the year	5,435,830	6,480,960	4,835,362	17,397,833	13,585,415
Effect of exchange rate movement on cash balances	(741,555)	(125,245)	498,057	1,234,660	(1,762,440)
Total cash and cash equivalents at end of the year	6,480,960	4,835,362	17,397,833	13,585,415	85,821,015

Summary Financial Information

STATEMENT OF FINANCIAL POSITION

Figures in Rand	2010	2011	2012	2013 restated	2014
Assets					
Non-Current Assets					
Property, plant and equipment	3,205,630	2,081,261	2,856,549	4,975,776	6,777,728
Goodwill	-	-	-	2,207,122	55,456,579
Intangible assets	13,139,407	9,993,107	9,986,599	11,767,149	24,706,925
Other financial assets	1,193,441	53,075	86,618	-	2,964,032
Deferred tax					279,775
	17,538,478	12,127,443	12,929,766	18,950,047	90,185,039
Current Assets					
Inventories	7,743,485	8,418,322	7,638,542	12,426,996	23,640,948
Other financial assets	-	886,383	325,795	171,188	5,629,980
Current tax receivable	28,558	12,678	12,678	412,673	3,190,662
Trade and other receivables	11,186,400	18,628,904	11,738,323	18,141,291	30,994,326
Cash and cash equivalents	6,505,579	4,851,560	17,397,833	14,401,877	85,870,790
	25,464,022	32,797,847	37,113,171	45,554,025	149,326,706
Total Assets	43,002,500	44,925,290	50,042,937	64,504,072	239,511,745
Equity and Liabilities					
Equity					
Share capital & premium	24,379,920	24,379,920	24,379,920	27,019,771	232,048,813
Share based payment reserve	221,088	221,088	149,739	122,887	122,887
Acquisition reserve (contingent consideration)					(134,145,000)
Retained income	4,665,309	7,273,930	14,514,562	21,474,090	(85,684,975)
	29,266,317	31,874,938	39,044,221	48,616,748	12,341,725
Non-controlling interest	27,989	27,850	-	-	-
	29,294,306	31,902,788	39,044,221	48,616,748	12,341,725
Liabilities					
Non-Current Liabilities					
Loans and borrowings	1,918,380	1,448,376	158,340	300,170	113,599
Finance lease obligation	304,205	127,890	45,067	-	-
Other financial liability				4,000,000	
Preference share liability					50,110,959
Liability for contingent consideration					143,550,000
Deferred tax	-	56,956	1,359,040	899,617	1,957,124
	2,222,585	1,633,222	1,562,447	5,199,787	195,731,682
Current Liabilities					
Bank overdraft	24,619	16,198	-	816,462	49,775
Loans from shareholders					1,716,092
Loans and borrowings	3,151,873	470,004	114,795	245,198	192,382
Finance lease obligation	204,804	171,513	82,823	39,229	
Trade and other payables	7,460,667	10,193,500	9,017,924	8,969,450	27,168,159
Current tax payable	438,065	438,065	-	-	9,359
Provisions	205,581	100,000	220,727	617,198	2,302,571
	11,485,609	11,389,280	9,436,269	10,687,537	31,438,338
Total Liabilities	13,708,194	13,022,502	10,998,716	15,887,324	227,170,020
Total Equity and Liabilities	43,002,500	44,925,290	50,042,937	64,504,072	239,511,745

SEGMENTAL ANALYSIS

SEGMENTAL ANALYSIS FOR THE YEAR ENDED 30 JUNE 2014

R'000	Commercial	CCS	New Business	Defence	Digital TV	Total
Total revenues	32 462	3 796	42	76 665	19 209	132 174
Intersegment revenues	(36)	-	-	(12)	-	(48)
Total external revenues	32 426	3 796	42	76 653	19 209	132 126
Operating (loss) / profit *(Note 1)*	(7 466)	(5 960)	(4 000)	19 296	(8 805)	(6 935)
Investment income	124	38	55	405	392	1 014
Fair value adjustments & impairment of goodwill					(104 450)	(104 450)
Finance costs	(96)	-	-	(37)	(29)	(162)
(Loss) / Profit before taxation	(7 438)	(5 922)	(3 945)	19 664	(112 892)	(110 533)
Taxation	2 842	1 889	894	(3 847)	1 597	3 375
(Loss) / Profit for the year	(4 596)	(4 033)	(3 051)	15 817	(111 295)	(107 158)

Note 1 - includes Aucom acquisition costs of R2 864 693 and preference share issue costs of R559 646

R'000	Commercial	CCS	New Business	Defence	Digital TV	Total
Reportable segments assets	36 045	13 143	25 509	71 790	93 026	239 513
Reportable segments liabilities	(19 962)	(250)	(17 991)	(27 799)	(161 167)	(227 170)
Operating (loss) / profit (Note 1)	(7 466)	(5 960)	(4 000)	19 296	(8 805)	(6 935)
Depreciation and amortisation (Note 2)	4 734	690	367	3 931	768	10 475
EBITDA	(2 732)	(5 270)	(3 633)	23 227	(8 051)	3,540

Note 2 - includes amortisation of Aucom intangibles of R696 722

SEGMENTAL ANALYSIS FOR THE YEAR ENDED 30 JUNE 2013 (RESTATED)

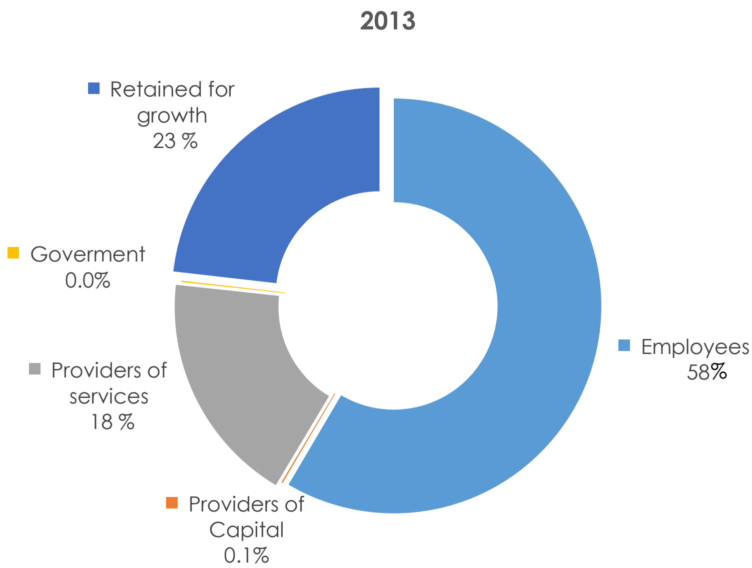
R'000	Commercial *	CCS	New Business *	Defence	Digital TV Note 3	Total
Total revenues	40 200	6 259	-	47 398	-	93 857
Intersegment revenues	(4 054)	-	-	(60)	-	(4 114)
Total external revenues	36 146	6 259	-	47 338	-	89 743
Operating (loss) /profit	(505)	(2 798)	(131)	10 241	-	6 807
Investment income	33	-	3	452	-	488
Finance costs	(37)	(1)	-	(20)	-	(58)
(Loss) / Profit before taxation	(509)	(2 799)	(128)	10 673	-	7 237
Taxation	827	597	(129)	(1 572)	-	(277)
Profit / (Loss) for the year	318	(2 202)	(257)	9 101	-	6 960
Reportable segments assets	23 112	8 454	2 419	30 519	-	64 504
Reportable segments liabilities	(7 374)	(367)	(872)	(7 274)	-	(15 887)
Operating (loss) /profit	(505)	(2 798)	(131)	10 241	-	6 807
Depreciation and amortisation	4 245	388	-	3 111	-	7 744
EBITDA	3 740	(2 410)	(131)	13 352	-	14 551

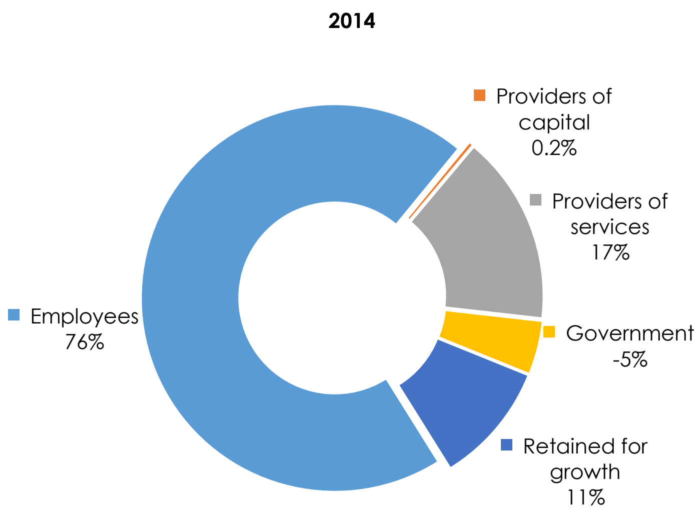
** Prior year restated - refer Note 39 of the AFS*

Note 3 - The Digital TV segment includes only Aucom which was acquired during the year

CONSOLIDATED VALUE ADDED STATEMENT

	2014	2013
Revenue	132,125,770	89,742,723
Net cost of raw materials, goods and services	(61,988,921)	(30,009,717)
Wealth created by trading operations	70,136,849	59,733,006
Other income	1,061,254	984,924
Finance income	1,013,543	488,149
Total wealth created	72,211,646	61,206,079
Distributed as follows		
Employees		
Salaries and other employee benefits	43,706,489	36,597,129
Providers of capital		
Finance cost	161,628	58,063
Providers of services		
General operating expenses	23,937,352	9,568,877
Government		
South African current tax	(3,375,451)	277,165
Retained for growth	7,781,629	14,703,844
Amortisation on intangible assets	8,818,033	6,403,068
Depreciation on property, plant and equipment	1,671,384	1,341,248
Net profit after dividend	(2,707,788)	6,959,528
	72,211,646	61,206,079





Empowerment

Poynting has implemented a plan which will improve the BBBEE rating from a current level eight to a level four in the next two years on the Generic scorecard in the ICT sector. Poynting managed to maintain the Broad-Based Black Economic Empowerment rating at a level six in 2014. The impact of the revised BBBEE scorecards which will be effective from April 2015 are being assessed and activities within the group will be adjusted accordingly.

Poynting Direct improved its Broad-Based Black Economic Empowerment rating from a Level Four to a Level Three contributor on the QSE scorecard.

As part of our BBBEE program, we established the Poynting Empowerment Foundation in 2012 to assist and support the community and developing organisations.

In the 2014 financial period Poynting contributed to community and social development by establishing the Tshwane East Manufacturing Incubation Center. This was awarded a Level 1 BBEE rating.

BBBEE Certificate Breakdown Poynting Antennas (Generic ICT Sector scorecard)

BEE Elements	Weighting	2014	2013
Overall BEE Score	**100**	**49.34**	**45.35**
Ownership	20	1.52	0.00
Management	10	5.85	7.50
Employment Equity	10	0.92	2.33
Skills Development	**17**	2.54	0.36
Preferential Procurement	20	15.51	15.84
Enterprise Development	**11**	11.00	11.00
Socio-Economic Development	**12**	12.00	8.32

BBBEE Certificate Breakdown Poynting Direct - (QSE Scorecard)

BEE Elements	Weighting	2014	2013
Overall BEE Score	**100**	**80.53**	**66.32**
Management	25	23.39	-
Skills Development	25	-	2.63
Employment Equity	25	7.14	23.36
Preferential Procurement	25	25.00	25.00
Socio-Economic Development	**25**	25.00	15.33

Shareholders Analysis

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	332	28.47%	210 960	0.12%
1 001 – 10 000 shares	556	47.68%	2 522 420	1.43%
10 001 – 50 000 shares	215	18.44%	4 920 953	2.79%
50 001 – 100 000 shares	26	2.23%	1 962 250	1.11%
100 001 – 1 000 000 shares	21	1.80%	4 992 598	2.83%
1 000 001 shares and over	16	1.37%	161 995 093	91.73%
Totals	1166	100.00%	176 604 274	100.00%
Public/non-public shareholders				
Non-public shareholders				
Directors and associates	8	0.69%	143 210 126	81.09%
Share trust	1	0.09%	2 516 555	1.42%
Public shareholders	1157	99.23%	30 877 593	17.48%
Totals	1166	100.00%	176 604 274	100.00%

Directors and associates				
ANDRIES PETRUS CRONJE FOURIE TRUST*	Executive Director (APC Fourie)	Indirect	34 048 016	19.28%
Villiers Joubert THE MAS TRUST*	Director Subsidiary Aucom	Indirect	33 965 876	19.23%
PALADIN CAPITAL FINANCIAL SERVICES*	Associated Holding (PSG)	Indirect	30 815 237	17.45%
TEBOGO RASHAMA**	Prescribed Officer (Aucom)	Direct	17 600 000	9.97%
DEREK COLIN NITCH**	Founder Investor	Direct	9 834 098	5.57%
RUDOLPH RASHAMA**	Director Subsidiary Aucom	Direct	8 710 173	4.93%
JUERGEN DRESEL**	Executive Director	Direct	8 136 726	4.61%
COENRAAD PETRUS BESTER**	Non-Executive Director	Direct	100 000	0.06%
			143 210 126	81.09%
	*Non-Benificial	** Beneficial		

Trust			
POYNTING EMPOWERMENT TRUST		2 516 555	1.42%
27-Jun-14			
Beneficial shareholders holding 5% or more			
ANDRIES PETRUS CRONJE FOURIE TR (C)*	Executive Director (APC Fourie)	34 048 016	19.28%
THE MAS TRUST*	Director Subsidiary Aucom	33 965 876	19.23%
PALADIN CAPITAL FINANCIAL SERVICES*	Associated Holding (PSG)	30 190 237	17.09%
TEBOGO RASHAMA**	Prescribed Officer (Aucom)	17 600 000	9.97%
DR DEREK COLIN NITCH**	Founder Investor	9 834 098	5.57%
INVESTEC EMERGING COMPANIES FUND*	Investor	8 830 200	5.00%
		134 468 427	76.14%
	*Non-Benificial	** Beneficial	

Directors' interests in securities

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

There have been no changes in the directors' interests between 30 June 2014 and the date of approval of this annual report.

The Empowerment Trust

Share Option Group 2014	**30-Jun-14**	**30-Jun-13**
Shares outstanding at the beginning of the year	1 183 887	1 383 486
Forfeited during the year	(61 746)	(189 554)
Exercised during the year	(166 666)	(10 045)
Shares left for distribution at year end	955 475	1 183 887

Options forfeited during the year

The initial option was offered to the employees effective 10 June 2010. In terms of the trust agreement employees are entitiled to ownership of the shares if the option has been fully paid up and the following period has expired:

2 (two) years after the Acceptance Date, in respect of 33 1/3% (thirty three and a third percent) of the Scheme Shares, or part thereof

3 (three) years after the Acceptance Date, in respect of a further 33 1/3% (thirty three and a third percent) of the Scheme Shares, or part thereof

4 (four) years after the Acceptance Date in respect of the balance of the Scheme Shares

As the employees left the employment of Poynting Antennas prior to the 4th year they have forfeited the portion of the shares as per the trust agreement

Assurance

Introduction

In respect of the level of assurance on information included in the integrated 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 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 report and regulatory requirements.

Financial information

Our consolidated annual 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 report to ensure that it is reliable and does not conflict with the financial information and concluded that no additional external assurance are required on material sustainability issues.

Non- financial information: B-BBEE

The South African Broad-Based Black Economic Empowerment information was verified by Empowerdex.

Annual Financial Statements 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Group is engaged in the manufacture and retail of antennas and software and system integration
Directors	CP Bester PN de Waal J Dresel JSV Joubert ZN Kubukeli BJ von Gottberg
Registered office	1 Travertine Avenue N1 Business Park Centurion 0157
Postal address	PO Box 76579 Wendywood Johannesburg South Africa 2144
Bankers	ABSA Bank Limited
Auditors	KPMG Inc. Chartered Accountants (S.A.) Registered Auditor
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 financial statements were independently compiled by: Liesl Duvenhage Chartered Accountant (SA) A³ccube Proprietary Limited
Published	31 December 2014

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

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

Preparer

Liesl Duvenhage
Chartered Accountant (SA)
A³ccube Proprietary Limited
Published

31 December 2014

Audit Committee Report

1. Members of the Audit and Risk Committee

   ZN Kubukeli (Chairman),

   PN de Waal

   CP Bester

   This report, of the audit and risk committee, is presented to shareholders in compliance with the requirements of the Companies Act 2008 (Act. 71 of 2008). The independent external auditors and the designated advisors attend the meetings as and when required and BJ von Gottberg and PAJ Ebersohn attend the meetings by invitation.

   In terms of the Companies Act 2008, (Act 71 of 2008), shareholders are required to elect the members of this committee at each annual general meeting. The appointment of ZN Kubukeli and CP Bester were subject to shareholders re- electing them as members of the committee at the annual general meeting, held in January 2014.

2. 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 of South Africa 2008 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.

3. The committee's role

   The audit and risk committee is a statutory committee, outlined by the new Companies Act and the recommendations set out in King III. 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 III, and responsibilities assigned by the board.

4. 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. It has recommended the reappointment of KPMG Inc. as the independent registered audit firm. The individual registered auditor was rotated from Heinrich Mans to Gary Parker. It was confirmed that the audit firm, and designated auditor, are accredited as appearing on the JSE list of accredited auditors.

   The committee determines the fees to be paid to the auditor, as well as the auditor's terms of engagement and authorises the fee, after a clearly defined scope was agreed upon by the Company and the auditors. 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 is to determine the nature and extent of any non-audit services that the auditor may provide to the Company. The only non-audit related services provided were a SENS review and the review of the African Union Communications Proprietary Limited acquisition transaction for accounting purposes.

5. Evaluation of the annual financial statements

   As part of its report to the board, the committee commented on the Company and Group 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 Company and Group financial statements with the independent external auditors and financial director. The external auditor has unrestricted access to the Group's 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 financial statements of the Company, and is satisfied that they comply with International Financial Reporting Standards and the Companies Act of South Africa.

   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.

6. Expertise and experience of the financial director and finance function

   The audit 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, Mr PAJ Ebersohn who resigned on 10 September 2014 and Mr BJ von Gottberg who was appointed on 10 September 2014. 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.

7. 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.

8. 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.

   Responsibility of the audit 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 King lll
   - Identify areas of governance non-compliance and propose remedial action after considering the risk matrix, the committee has nothing material to report.

9. Consolidated Annual Financial Statements

   Following the review of the consolidated annual financial statements the audit committee recommend 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 2014 financial period, and that its report to shareholders has been approved by the board.

ZN Kubukeli
Chairman Audit and Risk Committee

31 December 2014

Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Poynting Holdings Limited, comprising the consolidated statement of financial position at 30 June 2014, 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 notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing 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 Poynting Holdings Limited, as identified in the first paragraph, were approved by the board of directors on 31 December 2014 and signed by

J Dresel
Authorised Director

BJ von Gottberg
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 2014, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of the Act and that all such returns are true, correct and up to date.

Merchantec

Merchantec Proprietary Limited
Company secretary

31 December 2014

Directors' Report

The directors submit their report on the consolidated financial statements of Poynting Holdings Limited and its Subsidiaries for the year ended 30 June 2014.

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 and provides end to end solutions for radio and TV broadcasters.

African Union Communications Proprietary Limited was bought by Poynting Holdings Limited and 66 000 000 shares were issued as part of the purchase price. The effective date for accounting purposes was 28 February 2014.

3. Review of financial results and activities

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2008 (Act 71 of 2008). 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

	2014	2013	2014	2013
Issued	R	R	Number of shares	
Ordinary shares	8,830	4,730	176,604,275	94,604,275

Refer to note 18 of the consolidated financial statements for detail of the movement in authorised and issued share capital.

5. Accounting policies

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) the Listing Requirements of the JSE Limited and the Companies Act of South Africa 2008 as amended, and are consistent with those applied in the prior year. For new policies adopted during the current year refer to notes 1.13, 1.21 and 2 of the annual 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 company to conserve cash to ensure that the company is best placed to implement it's growth strategy. Therefore, the board has resolved not to declare a dividend for the financial year ended 30 June 2014 (2013: -).

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	Non-executive Independent	
PN de Waal	Non-independent	Non-executive	Appointed 24 October 2014
CHJ Douglas	Non-independent	Non-executive	Resigned 05 March 2014
J Dresel (German)	Managing Director	Executive	
PAJ Ebersohn	Financial Director	Executive	Resigned 10 September 2014
APC Fourie	Chief Executive Officer	Executive	Resigned 19 December 2014
JSV Joubert	Managing Director	Executive	Appointed 09 June 2014
ZN Kubukeli	Independent	Non-executive	
A Mellet	Chief Operating Officer	Executive	Appointed 20 December 2013 Resigned 24 October 2014
BJ von Gottberg	Financial Director	Executive	Appointed 10 September 2014
RC Willis	Non-independant	Non-executive	Resigned 05 March 2014

8. Interests in subsidiaries and joint venture

Joint Venture

	2014 %	2013 %
Tshwane East Manufacturing Incubation Centre Proprietary Limited	49	-
Name of subsidiary		
African Union Communications Proprietary Limited	100	-
Poynting Antennas Proprietary Limited	100	100
Poynting Direct Proprietary Limited	100	100
Poynting Empowerment Trust (Special purpose entity)	100	100
Poynting Hong Kong Limited	100	100
Poynting Inventions Proprietary Limited	100	100

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

Poynting has concluded negotiations in respect of the disposal of loss making parts of the Group. Please refer to note 43 to the financial statements.

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 realization 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 Company for 2014 in accordance with section 90 of the Companies Act of South Africa, Act 71 of 2008.

13. 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, Cnr. 6th Road and Jan Smuts Avenue 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 Act and such returns are true, correct and up to date.

Independent Auditors Report

To the Shareholders of Poynting Holdings Limited

We have audited the consolidated financial statements of Poynting Holdings Limited, which comprise the consolidated statement of financial position at 30 June 2014, 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 notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 98.

Directors' Responsibility for the Financial Statements

The company's directors are 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, and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Poynting Holdings Limited at 30 June 2014, 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.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per: Gary Parker
Chartered Accountant (SA)

Registered Auditor
Director
31 December 2014
KPMG
85 Empire Road
Parktown
Johannesburg

Consolidated Statement of Financial Postion
as at 30 June 2014

	Note	2014 R	2013 Restated R
Assets			
Non-Current Assets			
Plant and equipment	4	6,777,728	4,975,776
Goodwill	7	55,456,579	2,207,122
Intangible assets	8	24,706,925	11,767,149
Investment in other related party	9	490	-
Loan to joint venture	10	2,963,542	-
Deferred tax	14	279,775	-
Other investments	6	12	12
		90,185,051	18,950,059
Current Assets			
Inventories	15	23,640,948	12,426,996
Loan to joint venture	10	145,784	-
Other financial assets	12	5,484,196	171,188
Current tax receivable		3,190,662	412,673
Trade and other receivables	16	30,994,314	18,141,279
Cash and cash equivalents	17	85,870,790	14,401,877
		149,326,694	45,554,013
Total Assets		239,511,745	64,504,072
Equity and Liabilities			
Equity			
Share capital	18	8,695	4,595
Preference share capital	24	889,041	-
Share premium	18	231,151,077	27,015,176
Share-based payment reserve	19	122,887	122,887
Acquisition reserve (contingent consideration)	5	(134,145,000)	-
Accumulated (loss) / profit		(85,684,975)	21,474,090
		12,341,725	48,616,748
Liabilities			
Non-Current Liabilities			
Loans and borrowings	20	113,599	300,170
Deferred tax	14	1,957,124	899,617
Other financial liability	23	-	4,000,000
Preference share liability	24	50,110,959	-
Liability for contingent consideration	5	143,550,000	-
		195,731,682	5,199,787
Current Liabilities			
Loans from shareholders	11	1,716,092	-
Loans and borrowings	20	192,382	245,198
Current tax payable		9,359	-
Finance lease obligation	21	-	39,229
Trade and other payables	25	27,168,159	8,969,450
Provisions	22	2,302,571	617,198
Bank overdraft	17	49,775	816,462
		31,438,338	10,687,537
Total Liabilities		227,170,020	15,887,324
Total Equity and Liabilities		239,511,745	64,504,072
Number of ordinary shares legally in issue, less 2 516 555 treasury shares		174 087 720	93 951 053
Net asset value per ordinary share (cents)		84,15	51,76
Net tangible asset value per ordinary share (cents)		38,10	36,88

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

Net tangible asset value is calculated by dividing equity less acquisition reserve less goodwill & intangible assets, by the number of ordinary shares in issue.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2014

	Note	2014 R	2013 Restated R
Revenue	27	132,125,770	89,742,723
Cost of sales		(61,988,921)	(30,009,716)
Gross profit		70,136,849	59,733,007
Other income		1,061,254	984,924
Operating expenses		(78,133,258)	(53,911,322)
Operating (loss) / profit	28	(6,935,155)	6,806,609
Finance income	29	1,013,543	488,149
Impairment of goodwill	7	(95,046,278)	-
Fair value adjustments	5	(9,405,000)	-
Finance costs	30	(161,628)	(58,063)
(Loss) / profit before taxation		(110,534,518)	7,236,695
Taxation	31	3,375,451	(277,165)
(Loss) / profit for the year		(107,159,067)	6,959,530
Other comprehensive income		-	-
Total comprehensive income		(107,159,067)	6,959,530
(Loss) profit attributable to :			
Owners of the parent		(107,159,067)	6,959,530
		(107,159,067)	6,959,530
Earnings per share			
Basic (loss) / earnings per share (cents)	44	(101.59)	7.41
Diluted (loss) / earnings per share (cents)	44	(85.94)	7.35

Consolidated Statement of Changes in Equity
for the year ended 30 June 2014

Figures in Rand	Share capital and preference shares	Share premium	Total share capital	Share based payment reserve	Acquisition reserve	Total reserves	Retained income	Total equity
Balance at 01 July 2012	4,428	24,375,492	24,379,920	149,739	-	149,739	14,514,562	39,044,221
Profit for the year as previously stated	-	-	-	-	-	-	9,839,530	9,839,530
Prior period error (Refer to note 40)	-	-	-	-	-	-	(2,880,000)	(2,880,000)
Total comprehensive income for the year as restated	-	-	-	-	-	-	6,959,530	6,959,530
Issue of shares	167	2,639,684	2,639,851	-	-	-	-	2,639,851
Share options forfeited	-	-	-	(25,747)	-	(25,747)	-	(25,747)
Share options exercised	-	-	-	(1,105)	-	(1,105)	-	(1,105)
Total contributions and distributions	167	2,639,684	2,639,851	(26,852)	-	(26,852)	-	2,612,999
Balance at 01 July 2013 as restated	4,595	27,015,176	27,019,771	122,887	-	122,887	21,474,092	48,616,750
Loss for the year	-	-	-	-	-	-	(107,159,067)	(107,159,067)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	(107,159,067)	(107,159,067)
Issue of shares for cash	800	25,279,200	25,280,000	-	-	-	-	25,280,000
Issue of preference shares	889,041	-	889,041	-	-	-	-	889,041
Issue of shares – for business combination	3,300	178,856,700	178,860,000	-	(134,145,000)	(134,145,000)	-	44,715,000
Total contributions and distributions	893,141	204,135,900	205,029,042	-	(134,145,000)	(134,145,000)	-	70,884,042
Balance at 30 June 2014	897,736	231,151,076	232,048,813	122,887	(134,145,000)	(134,022,113)	(85,684,975)	12,341,725

Consolidated Statement of Cash Flows
for the year ended 30 June 2014

	Note	2014 R	2013 Restated R
Cash flows from operating activities			
Cash generated from operations	33	14,526,605	7,537,196
Investment income		1,013,543	488,149
Finance costs		(161,628)	(58,063)
Tax paid	34	(7,456,604)	(1,516,583)
Net cash from operating activities		7,921,916	6,450,699
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(3,208,529)	(2,531,608)
Sale of plant and equipment		60,602	9,668
Acquisition of intangible assets	8	(11,306,974)	(8,183,618)
Business combinations	36	-	(3,702,260)
Acquisition of investments in joint venture		(490)	-
Advance to related parties	10	(2,963,542)	-
Disposal of financial assets		1,064,970	86,618
Net cash used in investing activities		(16,353,963)	(14,321,200)
Cash flows from financing activities			
Proceeds on share issue	18	25,280,000	2,639,851
Proceeds from loans and borrowings		-	392,786
Repayment of loans and borrowings		(239,386)	(120,553)
Issue of preference shares	24	51,000,000	-
Repayment of shareholders loan		(196,917)	-
Finance lease payments		(39 229)	(88,661)
Net cash from financing activities		75,804,468	2,823,423
Total cash and cash equivalents movement for the year		67,372,421	(5,047,078)
Cash acquired as part of business combination		6,625,619	-
Cash and cash equivalents at the beginning of the year		13,585,415	17,397,833
Effect of exchange rate movement on cash balances		(1,762,440)	1,234,660
Total cash and cash equivalents at end of the year	17	85,821,015	13,585,415

ACCOUNTING POLICIES

1. Presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's), and their interpretations adopted by the International Accounting Standards Board (IASB), the listing requirements of the JSE Limited, the Companies Act of South Africa 71 of 2008 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. The consolidated 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 at the same date as these consolidated financial statements.

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.

As a result of IFRS 12, the Group has expanded its disclosures about its interests in subsidiaries and equity-accounted investees where applicable.

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7.

1.1 Reporting entity

Poynting 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 2014 comprise the company, investment in joint venture 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 Company's functional currency. Amounts have been rounded to the nearest R1.

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 and insurance contracts, whose classification remains as per their inception date.

1.1 Reporting entity (continued)

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 tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

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 NCI 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.

1.2 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 and liabilities, the 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.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete inventory

The Group uses an allowance for inventory to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in cost of sales.

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.

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.

Provisions

Provisions were raised based on management's best estimate of the expenditure required to settle the present obligation at the reporting date. Additional disclosure of these estimates of provisions are included in note 22 - Provisions.

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.

Classification of joint arrangements

The Group has joint control over Tshwane East Manufacturing Incubation Centre Proprietary Limited because the contractual arrangements set out that decisions relating to relevant activities can only be taken by unanimous consent of all parties to the arrangement. The directors have concluded that the arrangement is a joint venture.

Allowance for credit losses

Past experience indicates a reduced prospect of collecting debtors over the age of three months. Debtors balances over the age of three months are regularly assessed by management and provided for at their discretion.

Contingent consideration - profit warranties

The contingent consideration raised has been based on a probability of future earnings being met.

Plant and equipment

Management has made certain estimates with regards to the determination of depreciation methods, estimated useful lives and residual values of items of plant and equipment, as discussed further in note 1.3.

Leases

Management has applied its judgement to classify all lease agreements that the Group is party to as operating leases, if they do not transfer substantially all the risks and rewards of ownership to the Group. Furthermore, as the operating lease in respect of premises is only for a relatively short period of time, management has made a judgement that it would not be meaningful to classify the lease into separate components for the land and for the buildings, as the agreement will be classified in its entirety as an operating lease.

Lease agreements are classified as finance leases if they transfer substantially all the risk and rewards of the ownership to the Company. Discussed further in note 1.9.

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 Company; and
- the cost of the item can be measured reliably.

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.

Cost includes 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, and 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. 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 years
Leasehold improvements	5 years
Production tooling	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.

1.3 Plant and equipment (continued)

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:

- 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:

- 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 available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The intangible asset consists of the customer relationships, 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 in future. The expenditure could be measured reliably.

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

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 intangible assets are reviewed at each reporting date.

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

Item	Average useful life
Models, designs and prototypes	5 years
Customer relationships	5 years

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

1.5 Investments in subsidiaries

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 assets classified as held-for-sale which are recognised at fair value less costs to sell.

The consolidated financial statements incorporate the financial statements of the company, and its subsidiaries from the date that control commences until the date that contol ceases. The Group controls an entity when it 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. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

1.5 Investments in subsidiaries (continued)

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Subsequently, any losses applicable to the non-controlling interest in excess of the non-controlling interest are also allocated against the interest of the non-controlling interest.

All intra-group transactions, balances, income, expenses and unrealised profit or loss on stock are eliminated on consolidation.

1.6 Investment in joint venture

An investment in a joint venture is carried at cost less any accumulated impairment and any share of post acquisition earnings which are equity accounted in profit and loss.

1.7 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.

Derivative financial instruments

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 therein 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.

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.

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 and when the financial asset or financial liability is derecognised or impaired.

1.7 Financial instruments Classification (continued)

- 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 new amount presented in the statement of financial position when, and only when, the Group has a legal right to offset te amounts and intends to either settle them on a net basis or to realize 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.

The particular recognition methods adopted are disclosed in the individual policies stated below:

Loans to shareholders

These financial assets are classified as loans and receivables and are measured at amortised cost, using the effective interest method, less any impairment loss.

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 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 equivalent 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 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.

1.8 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 on or after 1 April 2012.

The Company withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the Company'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.

1.9 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 lease assets are recognised as assets 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. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. 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 of return on the remaining balance of the liability.

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 asset/liability. This asset/liability is presented as an other receivable/payable and is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 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.

1.11 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. That reduction is an impairment loss.

1.11 Impairment of non-financial assets (continued)

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

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.

1.12 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 is 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, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

1.13 Acquisition reserve

The acquisition reserve is used where shares are legally regarded as issued but for accounting purposes are regarded as contingent shares (subject to recall) where the accounting standards require such shares to be classified as a liability. This reserve will be transferred to retained earnings as and when the liability is settled.

1.14 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.

1.14 Share-based payments (continued)

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 shall be 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 shall be 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.

1.15 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.

1.16 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

Poynting warrants certain repairs on its products for 12 and 24 month periods. These warranties are provided for when the initial project is completed. Warranty repairs during the warranty period or monitored and written back against the provision when incurred.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The present value is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

1.16 Provisions and contingencies (continued)

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities not arising on business combinations are not recognised. Contingencies are disclosed in note 37.

1.17 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.

1.18 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.

1.19 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.

1.20 Investment income and finance expense

Investment income comprises interest income on funds invested, dividend income, 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. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

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 atrributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

1.21 Trading operating (loss) / profit

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

1.22 Translation of foreign currencies Foreign currency transactions

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency gains and losses are reported on a net basis.

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.

When a gain or loss on a non-monetary item is recognised in other comprehensive income or equity and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income or equity and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Rands at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rands at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

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 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 NCI. 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.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

1.23 Earnings per share and headline earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Headline EPS is calculated by dividing the headline profit or loss by the weighted average number of ordinary shares outstanding during the period.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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 01 July 2014 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IAS 34 - Interim Financial Reporting: Segment information for segment assets	01 January 2013	The impact of adopting the standards has had no potential effect on the financial statements.
• IFRS 13 Fair Value Measurement	01 January 2013	The impact of adopting the standards has had no potential effect on the financial statements.
• IAS 19 Employee Benefits Revised	01 January 2013	The impact of adopting the standards has had no potential effect on the financial statements.
• IAS 32 and IFRS 7 - Offsetting Financial Assets and Financial Liabilities	01 January 2013	The amendments clarify when an entity can offset financial assets and financial liabilities.
• IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets	01 January 2013	The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash- generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.
• IFRS 10, IFRS 11 and IAS 28 - Investment entities	01 January 2013	The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional.

2.2 New standards and interpretations not yet effective

The following standards and interpretations are mandatory for the Group's accounting periods beginning on or after 01 July 2014 or later periods:

IFRS 9 Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Group is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 30 June 2015 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

3. Operating Segments

The Group had five (2013: 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:

- Commercial division: located in Samrand, Pretoria where it is engaged in the development, manufacture and sale of a broad range of communication products.
- Defence division: located in Centurion, Pretoria where it is engaged in the development, manufacture and sale of specialised and defence orientated communication products.
- Cellular Coverage Solutions division (CCS): located in Samrand, Pretoria and is engaged in two main areas. The first is in the design, manufacture and sales of small and innovative base station solution to cellular networks. Secondly CCS provides and installs antennnas and equipment nationwide to end users of wireless telecomms services. These end users includes consumers as well businesses.
- New Business division (NB): this division is engaged in activities to expand the Poynting Group. This includes starting new organic businesses and acquisition of related businesses. New Business division also registers new IP falling outside current divisions with the view to using it for new business expansions.
- Digital TV business division: this division provides integrated systems solutions to the digital television broadcasting industry.

The Group operates internationally, across all continents. Refer to note 16 for disclosure on major customers.

Performance is measured based on earnings before interest, taxation, depreciation and amortisation, 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. Sales between the segments are on an arm's length basis.

3. Operating Segments

The amounts included in the internal management reports are measured in a manner consistent with that of the financial statements.

Figures in Rand **2014**	Commercial Division	CCS Division	New Business Division	Defence Division	Digital TV business division	Total
Total revenues	32,462,338	3,795,860	42,156	76,665,046	19,208,570	132,173,970
Intersegment revenue	(36,282)	-	-	(11,918)	-	(48,200)
Total external revenue	32,426,056	3,795,860	42,156	76,653,128	19,208,570	132,125,770
Operating (loss)/profit	(7,465,730)	(5,960,227)	(3,999,753)	19,295,669	(8,805,114)	(6,935,155)
Investment income	124,311	37,763	54,927	404,537	392,005	1,013,543
Impairment on goodwill	-	-	-	-	(95,046,278)	(95,046,278)
Fair value adjustment		-		-	(9,405,000)	(9,405,000)
Finance costs	(95,716)	(2)	(1)	(36,955)	(28,954)	(161,628)
(Loss)/profit before taxation	(7,437,135)	(5,922,466)	(3,944,827)	19,663,251	(112,893,341)	(110,534,518)
Taxation	2,842,287	1,888,831	893,597	(3,847,102)	1,597,838	3,375,451
(Loss)/profit for the year	(4,594,848)	(4,033,635)	(3,051,230)	15,816,149	(111,295,503)	(107,159,067)
Reportable segments assets	36,044,840	13,142,515	25,509,185	71,789,815	93,025,390	239,511,745
Reportable segments liabilities	(19,962,147)	(249,682)	(17,991,421)	(27,799,118)	(161,167,652)	(227,170,020)
EBITDA calculation						
Operating profit	(7 465 730)	(5 960 227)	(3 999 753)	19 295 669	(8 805 114)	(6 935 155)
Depreciation and amortisation	4 734 186	689 835	367 242	3 930 563	754,135	10,475,962
EBITDA	(2 731 544)	(5 270 392)	(3 632 511)	23 226 232	(8,050,979)	3,540,806

Figures in Rand **2013 (Restated)**	Commercial Division	CCS Division	New Business Division	Defence Division	Total
Total revenues	40,200,134	6,258,618	-	47,398,448	93,857,200
Intersegment revenue	(4,053,907)	-	-	(60,570)	(4,114,477)
Total external revenue	36,164,227	6,258,618	-	47,337,878	89,742,723
Operating profit/(loss)	(504,738)	(2,798,342)	(130,735)	10,240,424	6,806,609
Investment income	33,157	354	2,284	452,354	488,149
Finance costs	(37,067)	(555)	(1)	(20,440)	(58,065)
Profit/(loss) before taxation	(508,648)	(2,798,543)	(128,452)	10,672,338	7,236,695
Taxation	826,450	596,981	(128,821)	(1,571,775)	(277,165)
Profit / (loss) for the year	317,802	(2,201,562)	(257,273)	9,100,563	6,959,530
Reportable segments assets	23,112,023	8,453,620	2,419,184	30,519,245	64,504,071
Reportable segments liabilities	(7,374,224)	(366,825)	(872,305)	(7,273,970)	(15,887,324)
EBITDA calculation					
Operating profit / loss	(504,738)	(2,798,342)	(130,735)	10,240,424	6,806,609
Depreciation and amortisation	4,244,942	388,009	-	3,111,366	7,744,317
EBITDA	3,740,204	(2,410,333)	(130,735)	14,351,790	14,550,926

4. Plant and equipment

Figures in Rand	2014 Cost	2014 Accumulated depreciation and accumulated impairment	2014 Carrying value	2013 Cost	2013 Accumulated depreciation and accumulated impairment	2013 Carrying value
Plant and machinery	5,956,880	(3,443,809)	2,513,071	4,099,167	(2,926,816)	1,172,351
Furniture and fixtures	764,063	(481,723)	282,340	507,306	(334,335)	172,971
Motor vehicles	616,343	(419,498)	196,845	526,320	(365,864)	160,456
Office equipment	392,916	(365,103)	27,813	383,942	(355,379)	28,563
IT equipment	2,199,297	(1,475,822)	723,475	1,731,064	(1,288,550)	442,514
Computer software	2,050,606	(1,775,978)	274,628	1,860,605	(1,497,893)	362,712
Leasehold improvements	1,512,097	(939,698)	572,399	2,235,922	(711,575)	1,524,347
Production tooling	5,173,721	(3,003,411)	2,170,310	3,730,788	(2,618,926)	1,111,862
Other plant and equipment	44,518	(27,671)	16,847	-	-	-
Total	18,710,441	(11,932,713)	6,777,728	15,075,114	(10,099,338)	4,975,776

Reconciliation of plant and equipment - 2014

Figures in Rand	Opening balance	Additions	Additions through business combination	Disposals	Transfers	Depreciation	Total
Plant and machinery	1,172,351	1,054,287	-	-	803,425	(516,992)	2,513,071
Furniture and fixtures	172,971	50,045	130,351	-	-	(71,027)	282,340
Motor vehicles	160,456	90,023	-	-	-	(53,634)	196,845
Office equipment	28,563	-	6,103	-	-	(6,853)	27,813
IT equipment	442,514	424,241	65,394	(48,239)	-	(160,435)	723,475
Computer software	362,712	147,000	79,429	-	(79,600)	(234,913)	274,628
Leasehold improvements	1,524,347	-	-	-	(723,825)	(228,123)	572,399
Production tooling	1,111,862	1,442,933	-	-	-	(384,485)	2,170,310
Other plant and equipment	-	-	18,313	-	-	(1,466)	16,847
	4,975,776	3,208,529	299,590	(48,239)	-	(1,657,928)	6,777,728

Reconciliation of plant and equipment - 2013

Figures in Rand	Opening balance	Additions	Additions through business combinations	Disposals	Depreciation	Total
Plant and machinery	936,639	438,015	192,800	-	(395,103)	1,172,351
Furniture and fixtures	171,011	13,862	22,200	-	(34,102)	172,971
Motor vehicles	17,474	105,529	85,000	-	(47,547)	160,456
Office equipment	21,291	20,001	-	-	(12,729)	28,563
IT equipment	391,529	198,751	20,000	(11,133)	(156,633)	442,514
Computer software	110,782	347,026	-	-	(95,096)	362,712
Leasehold improvements	756,132	1,034,880	-	-	(266,665)	1,524,347
Production tooling	451,691	373,544	620,000	-	(333,373)	1,111,862
	2,856,549	2,531,608	940,000	(11,133)	(1,341,248)	4,975,776

4. Plant and equipment (continued)

Pledged as security
For the year ended 30 June 2014 plant and equipment with a carrying value of R320,000 was ceded as security, refer note 20.
Assets subject to installment sale agreements (carrying amount)

	2014 R	2013 R
Plant and machinery	193,496	435,943
Motor vehicles	58,948	109,425
Production tooling	48,273	40,526
	300,717	585,894

During the year the company settled its outstanding finance leases and therefore no assets are subject to finance leases in for the year ended 30 June 2014.
A register containing the information required by the Companies Act is available for inspection at the registered office of the Company.

5. Interests in subsidiaries

Name of company	% holding 2014	% holding 2013
African Union Communications Proprietary Limited	100.00 %	-%
Poynting Antennas Proprietary Limited	100.00 %	100.00 %
Poynting Direct Proprietary Limited	100.00 %	100.00 %
Poynting Hong Kong Limited	100.00 %	100.00 %
Poynting Inventions Proprietary Limited	100.00 %	100.00 %

Acquisition of subsidiary

On 28 February 2014 shareholders approved, the issue of 66 million shares at 75 cents in terms of the agreement for the acquisition of 100% of African Union Communications Proprietary Limited ("Aucom"), which amounted to R49 500 000.

Aucom, based in Pretoria, was founded in 2001 and focuses on providing professional products, systems integration and implementation and commissioning services to the broadcast and telecommunications market in Africa. This acquisition was a strategic investment into digital broadcast migration in order to expand the group's product portfolio.

In terms of IFRS3 (Business Combinations) the transaction had to be accounted for at the fair value of the shares at that date and the net present value of any contingent consideration. The share price at 28 February 2014 was 271 cents which valued the share consideration at R178 860 000 and under IFRS represented the fair value.

Since acquisition, revenue of R19.2 million and an after tax loss of R3.4 million has been included in the group's profit and loss. If the acquisition had been accounted for at the beginning of the year, revenue of R103.8 million and an after tax profit of R13.8 million would have been included in the Group's profit and loss.

Contingent Consideration

Of the 66 million shares issued, 49.5 million shares are held as guarantee, and will be released to the sellers as profit warranties are met for the years ending 30 June 2014, 30 June 2015 and 30 June 2016, or clawed back if warranties are not met. The fair value of this portion of the contingent consideration, which is represented by shares already in issue, amounted to R134.1 million at the transaction date, and is presented by an acquisition reserve in equity. At 30 June 2014, this contingent consideration had increased by R9.4 million as consequence of the increase in the Poynting share price, and was fair valued at R143.5 million.

Fair value of contingent consideration at acquisition date	134 145 000	-
Fair value of contingent consideration at year end	(143 550 000)	-
Fair value adjustment	(9 405 000)	-

5. Interests in subsidiaries (continued)

An additional consideration is payable if the Aucom's cumulative 3 year Profit after Tax exceeds R38 million, in which instance the vendors will receive 50% of that out-performance. The fair value of this additional contingent consideration amounted to R2 063 702 as at 28 February 2014 and the total consideration is therefore R180 924 702.

For the purposes of the contingent consideration it is management's assessment that the profit targets will be met.

Consideration paid

	75 cps At issue price	271 cps 28-Feb-14	290 cps 30-Jun-14
Equity - 16 500 000 ordinary shares in Poynting Holdings Limited	12,375,000	44,715,000	44,715,000
Contingent consideration - 49 500 000 ordinary shares in Poynting Holdings Limited	37,125,000	134,145,000	143,550,000
Contingent considerations - profit warranties	-	2,063,702	2,063,702
	49,500,000	180,923,702	190,328,702
Settlement of pre-existing relationship	-	(2,880,000)	(2,880,000)
Total consideration	R49,500,000	R178,043,702	R187,448,702

Acquisition related cost

Costs directly attributable to the purchase of the subsidiary in the amount of R2 410 915 were expensed through profit and loss.

6. Other investments

Name of company	% holding 2014	% holding 2013	R Carrying amount 2014	R Carrying amount 2013
CrunchYard SA Holdings Proprietary Limited	10	10	12	12

7. Goodwill

Figures in Rands	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	150,502,857	(95,046,278)	55,456,579	2,207,122	-	2,207,122

Reconciliation of goodwill - 2014

	Opening balance	Additions through business combinations	Impairment loss	Total
Goodwill	2,207,122	148,295,735	(95,046,278)	55,456,579

7. Goodwill (continued)

Reconciliation of goodwill - 2013

Figures in Rand	Opening balance	Additions through business combinations	Total
Goodwill	-	2,207,122	2,207,122
Carrying amount of goodwill is made up as follows:			
Radiant Antennas		2,207,122	2,207,122
African Union Communications (Pty) Ltd		53,249,457	-
		55,456,579	2,207,122

Goodwill related to Radiant Antennas Proprietary Limited

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

Cash generating unit

The Radiant business acquisition was incorporated in the Defence division cash generating unit effective 01 July 2012.

Impairment

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 22.1% and terminal growth rate of 5%. The key assumptions are obtained from the budget for 2015 and business plans for the year there after. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

Goodwill related to African Union Communications Proprietary Limited

	2014 R	2013 R
Goodwill arising from the acquisition has been recognised as follows:		
Identifiable net assets as at 28 February 2014	22,222,365	
Intangible assets (customer relationships)	10,450,836	
Deferred tax thereon	(2,925,234)	
Goodwill	148,295,736	
Purchase price arising from the increase in the share price from 75c to 271c	178,043,702	

IFRS requires an annual review of the recoverable amount of the investment in Aucom. This was estimated based on the present value of the future cash flows expected to be derived from the Cash Generating Unit (value in use), using a pre-tax discount rate of 22.1% and a terminal value growth rate of 5% from 2019. The key assumptions were derived from past performance at Aucom. The recoverable amount of the CGU was estimated to be lower than its carrying amount and an impairment of R95.0 million was required.

A change of 1% in the pre-tax discount rate will result in a R2.5 million (2.6%) change in the impairment.

8. Intangible assets

Figures in Rand	2014 Cost	2014 Accumulated depreciation and accumulated impairment	2014 Carrying value	2013 Cost	2013 Accumulated depreciation and accumulated impairment	2013 Carrying value
Model, designs and prototypes	49,458,430	(34,505,619)	14,952,811	38,151,459	(26,384,310)	11,767,149
Customer relationships	10,450,836	(696,722)	9,754,114	-	-	-
Total	59,909,266	(35,202,341)	24,706,925	38,151,459	(26,384,310)	11,767,149

Reconciliation of intangible assets - 2014

Figures in Rand	Opening balance	Additions	Additions through business combination	Amortisation	Total
Model, designs and prototypes	11,767,149	11,306,974	-	(8,121,312)	14,952,811
Customer relationships	-	-	10,450,836	(696,722)	9,754,114
	11,767,149	11,306,974	10,450,836	(8,818,034)	24,706,925

Reconciliation of intangible assets - 2013

	Opening balance	Additions		Amortisation	Total
Model, designs and prototypes	9,986,599	8,183,618	-	(6,403,068)	11,767,149

Internally generated intangible assets with finite useful lives

The intangible asset consists 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 in future. The expenditure could be measured reliably. The useful live is five years with no residual value.

The amortisation charge is included in profit or loss.

Additions through purchase of African Union Communications Proprietary Limited

Based on the valuation, amortisation of the customer relationships intangible asset will be R2 090 167 per year for 5 years.

9. Joint ventures

The following table lists all of the joint ventures in the Group:

Name of company	ownership interest 2014	ownership interest 2013	Carrying amount 2014	Carrying amount 2013
Tshwane East Manufacturing Incubation Centre Proprietary Limited	49.00 %	- %	R490	-
The assets and liabilities of the joint venture comprise:				
Plant and equipment			1 348 120	-
Cash and cash equivalent			1 579 012	-
Long term loans			(2 999 510)	-
Net loss for the period			73 377	-

South Africa is the country of incorporation and is the same as the principle place of business for the joint venture and the percentage voting rights is equal to the percentage ownership for the joint ventures

10. Loans to Joint venture

	2014 R	2013 R
Tshwane East Manufacturing Incubation Centre Proprietary Limited This loan is unsecured, bears no interest, has no repayment terms with a notice period of at least 367 days.	2,999,510	-
Impairment of loans to Joint Venture (49% share of net loss)	(35,968)	-
	2,963,542	-
Other related parties		
CrunchYard SA Proprietary Limited The loan is interest bearing at prime plus 3% and is repayable on demand	145,784	-
	145,784	-
These loans are unsecured, bear no interest and have no fixed date of repayment.		
Non-current assets	2,963,542	-
Current assets	145,784	-
	3,109,326	-
Credit quality of loans to related parties		
No credit rating of loans to and from related parties have been performed.		
Fair value of loans to related parties		
Loans to joint venture	2,963,542	-
Loans to other related parties	145,784	-
Loans to group related parties	-	-

As of 30 June 2014, loans to related parties of R 35,968 (2013: R -) were impaired and provided for.

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The Company does not hold any collateral as security.

11. Loans from shareholders

	2014 R	2013 R
MAS Trust	(764,804)	-
R Rashama	(285,856)	-
T Rashama	(665,432)	-
	(1,716,092)	-

These loans are unsecured, interest free and have no fixed terms of repayments

12. Other financial assets

	2014 R	2013 R
Derivatives at fair value through profit or loss - held for trading		
Foreign exchange contract	1,174,011	171,188
The majority of the company's transactions are concluded in its functional currency (South African Rand) with the result that its exposure to foreign currency risk from operating transactions is limited. The Company's finance department monitors the net foreign currency exposure, which is primarily represented by USD and EUR - denominated trade and other receivables and cash and cash equivalents, ensuring that it remains within acceptable levels as set out in the company's risk management policies and procedures. Should the net foreign exposure exceed the policy requirement, the Company will enter into a foreign exchange hedging agreement securing the value of the trade and other receivables by purchasing/ selling currencies at their current three month spot prices.		
Amortised cost		
Loans and receivables		
On Demand TV Proprietary Limited	2,026,740	-
The loan is unsecured, is repayable over 3 months with the final payment on 30 July 2014 and bears interest at 8%.		
Deco File Interiors Close Corporations The loan is unsecured, bears no interest and has no repayment terms.	620,000	-
Momentum Investment This is a flexible investment option with 24 hour notice period and bears interest at Money Market rates	1,663,445	-
Total other financial assets	5,484,196	171,188
Current assets		
Foreign exchange contract at fair value through profit or loss - held for trading	1,174,011	171,188
Loans and receivables at amortised cost	4,310,185	-
	5,484,196	171,188

The fair value of the foreign exchange contract reflects the initial and variation margin on a mark to market basis. This is a level 2 fair value.

13. Financial assets by category

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

2014

Figures in Rand	Loans and receivables	Fair value through profit or loss - held for trading	Total
Loans to related parties	3,109,326	-	3,109,326
Other financial assets	4,310,185	1,174,011	5,484,196
Trade and other receivables	29,641,725	-	29,641,725
Cash and cash equivalents	85,870,790	-	85,870,790
	122,932,026	1,174,011	124,106,037
2013			
Other financial assets	-	171,188	171,188
Trade and other receivables	17,907,284	-	17,907,284
Cash and cash equivalents	14,401,877	-	14,401,877
	32,309,161	171,188	32,480,349

13. Deferred tax

The deferred tax assets and the deferred tax liability per statutory company relate to income tax in the same jurisdiction, and the law allows net settlement.

Figures in Rand	2014	2013 Restated
Deferred tax liability	(1,957,124)	(899,617)
Deferred tax asset	279,775	-
Total net deferred tax liability	(1,677,349)	(899,617)
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(899,617)	(1,359,040)
Increases (decrease) in tax loss available for set off against future taxable income	1,897,782	(353,489)
Originating temporary difference on plant and equipment	(42,988)	11,862
Reversing temporary difference on intangible assets	(3,623,140)	(498,554)
Taxable temporary differences on finance lease	22,770	17,405
Deductible temporary differences on provisions	973,769	163,494
Deductible temporary difference on other financial liability	-	1,120,000
Prior year under provision	(5,925)	(1,295)
	(1,677,349)	(899,617)
Beginning of year	(899,617)	(1,359,040)
Acquired through business combinations	(4,077,264)	-
Charged through profit or loss	3,299,532	459,423
Closing balance	(1,677,349)	(899,617)
Deferred tax balances consist of the following		
Tax losses available for set off against future taxable income	1,972,442	80,587
Originating temporary difference on plant and equipment	(274,022)	(188,915)
Reversing temporary difference on intangible assets	(6,917,939)	(3,294,801)
Originating temporary difference on provisions	3,519,165	1,425,395
Originating temporary difference on finance lease	23,005	(41,883)
Deductible temporary difference on other financial liabilities	-	1,120,000
	(1,677,349)	(899,617)
Unrecognised deferred tax balances		
Estimated tax losses available to set off against future taxable income	12,491,290	3,714,943
Recognised as deferred tax asset	(7,044,435)	(287,810)
Unrecognised estimated tax losses	5,446,855	3,427,133

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. Inventories

	2014 R	2013 R
Raw materials, components	6,021,843	4,419,890
Work in progress	7,116,005	2,293,803
Finished goods	12,696,086	6,884,041
Merchandise	320,661	274,718
	26,154,595	13,872,452
Allowance for obsolescence	(2,513,647)	(1,445,456)
	23,640,948	12,426,996
Allowance for impairment		
Opening balance	1,445,456	1,522,806
Additions during the year	-	-
Allowance reversal / (written back)	1,068,191	(77,350)
Closing balance	2,513,647	1,445,456

In the prior year inventories that related to a specific contract were written down to net realisable value, to the amount of R64 350, due to the contract expiring and the inventories being contract specific. In the current year the write down was reversed, as a new contract was obtained and the expected selling prices are in excess of original cost. Inventory is now stated at its original cost. The allowance for impairment represents the stock that has not been sold or used in manufacturing within the past 12 months.

16. Trade and other receivables

	2014	2013
Trade receivables	33,287,649	18,187,003
Allowance for impairment	(4,313,993)	(1,042,280)
Prepayments	221,143	312,327
Deposits	250,222	450,222
VAT	1,352,601	234,007
Employee costs in advance	170,939	-
Other receivable	25,753	-
	30,994,314	18,141,279

Credit quality of trade and other receivables

The credit quality of significant trade and other receivables can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

2014	Credit Limit	Balance
Debtor A - Distributor - business	7,500,000	3,609,296
Debtor B - Distributor - business	6,000,000	3,158,619
Debtor C - Distributor - business	2,300,000	1,119,837
Debtor D - Distributor - business	5,000,000	4,233,192
Debtor E - Distributor - business	2,000,000	-
2013		
Debtor A - Distributor - business	7,500,000	-
Debtor B - Distributor - business	6,000,000	794,489
Debtor C - Distributor - business	2,000,000	-
Debtor D - Distributor - business	4,500,000	-
Debtor E - Distributor - business	5,000,000	4,560,000

16. Trade and other receivables (continued)

	2014 R	2013 R
Trade receivable ageing analysis		
Less than 30 days	6 499 501	11 582 958
31 to 60 days	8 700 177	2 809 157
61 to 90 days	4 545 727	1 417 586
91 to 120 days	9 228 263	1 335 034
	28 973 668	17 144 735
Sales transactions with multinational customers with a revenue of more than 10% of group revenue		
Customer A (Defence division)	18 664 019	11 763 046
Customer B (Defence division)	-	9 110 337
	18 664 019	20 873 383

Trade receivables comprise a widespread customer base. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 72% (2013: 63%) of the Group's revenue is attributable to sales transactions with 72 (2013: 68) multinational customers.

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

Fair value of trade and other receivables

The carrying value of trade and other receivables is equal to the fair value.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2014, R 19,936,430 (2013: R 3,242,143) were past due but not impaired.

The ageing of these receivables are as follows:

	2014 R	2013 R
1 month past due	9,255,840	1,091,158
2 months past due	10,680,590	1,268,905
3 months past due	-	882,080
	19,936,430	3,242,143
Trade debtors past due but not impaired		
60 days	9,255,840	1,058,358
90 days	2,052,604	1,056,930
	11,308,444	2,115,288
The carrying amount of trade and other receivables are denominated in the following currencies		
Rand	10,101,162	12,232,057
Euro	7,739,099	2,309,235
US Dollar	11,133,407	2,603,443
	28,973,668	17,144,735
Reconciliation of allowance for credit losses of trade and other receivables		
Opening balance	1,042,280	1,115,419
Acquired through business combinations	2,247,645	-
Charged to profit or loss	1,024,018	(73,139)
Closing balance	4,313,993	1,042,280

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.

The debtors book is collateral for the overdraft facility of R15 000 000 granted by ABSA Bank Limited on 07 March 2014 at prime plus 0.5%.

17. Cash and cash equivalents

	2014 R	2013 R
Cash on hand	103,383	12,209
Bank balances	53,020,979	14,389,668
Short-term deposits	32,746,428	-
Bank overdraft	(49,775)	(816,462)
	85,821,015	13,585,415
Current assets	85,870,790	14,401,877
Current liabilities	(49,775)	(816,462)
	85,821,015	13,585,415

The Group has a foreign exchange dealing facility of R6 000 000 (2013: R6 000 000).

ABSA Bank Limited has granted Poynting Antennas Proprietary Limited an overdraft facility for R15 000 000 in March 2014 at an interest rate of prime plus 0.5%.

Collateral for the security:

- Cession of the debtors book.
- Limited suretyship for R15 000 000 by Poynting Holdings Limited excluding cession of the loan account.

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

18. Share capital

	2014 R	2013 R
Authorised		
2 000 000 000 Ordinary shares of R0.00005	100,000	100,000

1 823 395 725 unissued ordinary shares are under the control of the directors in terms of a resolution passed in the last general meeting. This authority remains in force until the next annual general meeting.

Issued	Number of shares 2014	Number of shares 201	R Share capital 2014	R Share capital 2013	R Share premium 2014	R Share premium 2013
Opening balance	94,604,275	91,254,275	4,730	4,563	29,715,045	27,075,361
Acquisition of business	-	3,350,000	-	167	-	2,639,684
Acquisition of company	66,000,000	-	3,300	-	178,856,702	-
Shares issued during the year	16,000,000	-	800	-	25,279,200	-
Subtotal	177,493,316	94,604,275	8,830	4,730	233,850,946	29,715,045
Treasury shares	2,516,555	2,683,221	(135)	(135)	(2,699,869)	(2,699,869)
	174,087,720	91,921,054	8,695	4,595	231,151,077	27,015,176
Total share capital and share premium					231,159,772	27,019,770

19. Share-based payments

Share Option Group 2014	Number	Weighted exercise price (R)	Total value (R)
Outstanding at the beginning of the year	1,183,887	0.11	122,887
Forfeited during the year	(61,746)	-	-
Exercised during the year	(166,666)	-	-
Exercisable at the end of the year	955,475	0.11	122,887
Share Option Group 2013			
Outstanding at the beginning of the year	1,383,486	0.11	149,739
Forfeited during the year	(189,554)	0.11	(25,747)
Exercised during the year	(10,045)	0.11	(1,105)
Exercisable at the end of the year	1,183,887	0.11	122,887

Information on options granted

Fair value was determined by reference to publications. The following inputs were used:

- Exercise price of R0,25;
- Expected volatility of 141.63%,
- Option life of four years in total,
- Expected dividend yield of 0%;
- Risk-free rates of 7.15%, 7.33% and 7.49% for each of the three vesting periods; and
- Spot price of R0,16.

The options vested in three equal tranches ending on 03 June 2012 and 03 June 2013 and 03 June 2014.

The Board of the Group made an offer to employees on behalf of the Trustees of the Poynting Empowerment Trust ("the Trust") to participate in the Trust. The offer consisted of the right to acquire a number of Scheme Shares in the Group and at the price determined by the Trust Deed provisions. The offer is governed by the provisions of the Trust Deed, the Companies Act and the JSE Listing Requirements.

Directors shall from time to time instruct the Trustees to offer the opportunity to acquire Rights and Options to purchase Allocation Shares or to acquire Scheme Shares to Eligible Applicants in respect of such number of Shares, which in aggregate, together with any Scheme Shares already in issue and/or the number of Allocation Shares at that time shall not exceed 18 000 000 (eighteen million) ordinary shares.

When the Share Scheme Debt in respect of the offer have been paid in full by the Participant, a Participant shall, be entitled to the release of his Scheme Shares from the operation of this Scheme after the expiry of a period of:

- 2 (two) years after the Acceptance Date, in respect of 33% (thirty three and a third percent) of the Scheme Shares, or part thereof;
- 3 (three) years after the Acceptance Date, in respect of a further 33% (thirty three and a third percent) of the Scheme Shares, or part thereof;
- 4 (four) years after the Acceptance Date in respect of the balance of the Scheme Shares.

Options forfeited
Options were forfeited as employees resigned prior to the 100% vesting period or elected not to exercise their options at the time of resignation.

20. Loans and borrowings

	2014 R	2013 R
Held at amortised cost		
Standard Bank of South Africa Limited Installment sale agreement for a vehicle that was secured by plant and equipment. The loan bore interest at prime rate plus 3% and was repayable in installment of R2 064 per month.	-	16,504
ABSA Bank Limited Installment sale agreement for a generator secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 0,8% and is repayable in installment of R4 216 per month.	48,273	87,100
Standard Bank of South Africa Limited Installment sale agreement for a welder secured by first covering bond over property, plant and equipment. Refer to note 4. The loan bears interest at prime rate minus 0,25% and is repayable in installments of R5 347 per month.	5,263	65,482
Standard Bank of South Africa Limited Installment sale agreement for a vehicle secured by first covering bond over motor vehicles. Refer to note 4. The loan bears interest at prime rate plus 3% and is repayable in installments of R3 570 per month.	58,948	92,920
Standard Bank of South Africa Limited Installment sale agreement for testing equipment secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 2% and is repayable in installments of R9 700 per month.	193,497	283,362
	305,981	545,368
Non-current liabilities		
At amortised cost	113,599	300,170
Current liabilities		
At amortised cost	192,382	245,198
	305,981	545,368
Minimum instalment sales payments due		
- within one year	216,432	289,620
- in second to fifth year inclusive	119,052	333,179
	335,484	622,799
less: future finance charges	(29,503)	(77,431)
Present value of minimum instalment sales payments	305,981	545,368
Present value of minimum instalment sales payments due		
- within one year	192,382	245,198
- in second to fifth year inclusive	113,599	300,170
	305,981	545,368

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

21. Finance lease obligation

	2014 R	2013 R
Minimum lease payments due		
- within one year	-	40,069
	-	40,069
less: future finance charges	-	(840)
Present value of minimum lease payments	-	39,229
Present value of minimum lease payments due		
- within one year	-	39,229

The loan bore interest at prime rate and was repayable in instalments of R8,104 per month. The Group's obligation under finance leases was secured by the lessor's charge over the leased assets. Refer note 4. All the financial leases expired during the year.

22. Provisions

Figures in Rand	Opening balance	Raised during the year	Utilised during the year	Total
Reconciliation of provisions - 2014				
Product warranties	617,198	1,685,373	-	2,302,571
Reconciliation of provisions - 2013				
Product warranties	220,727	396,47	-	617,198

Product warranties

The warranty provision represents management's estimate of the Group's liability under warranties periods granted on products, based on prior experience and industry averages for defective products.

Poynting warrants certain repairs on its products for 12 and 24 month periods. 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.

23. Other financial liability

During 2013, Poynting Antennas Proprietary Limited received R4 million from African Union Communications Proprietary Limited ("Aucom") relating to the development of a new product. In return, Aucom secured the rights to commissions for each product sold. The R4 million was incorrectly recognised as revenue for the year ended 30 June 2013. The fair value (plus any directly attributable transaction costs) should have been recognised as a financial liability, as there is a contractual obligation to Aucom which is dependent on the occurrence of future sales of the product.

	2014 R	2013 Restated R
Other financial liability at amortised cost	-	4,000,000

24. Preference share liability

20 400 000 Convertible Preference Shares of R2.50 was issued at a premium of 3% and a dividend rate of 8.64%. There are redeemable on 30 June 2017.

	2014 R	2013 R
PSG Private Equity Proprietary Limited	51,000,000	-
Less: deemed capital	(889,041)	-
	50,110,959	-

25. Trade and other payables

	2014 R	2013 R
Trade payables	15,698,548	1,853,835
VAT	-	614,235
Payroll accruals	2,270,963	709,672
Sales received in advance	805,195	2,799,147
Accrued leave pay	1,648,948	1,314,450
Accrued bonus	2,331,809	817,776
Liability for contingent consideration	2,063,702	-
Accrued audit fees	265,000	505,000
Accrued expenses	2,079,880	335,356
Other payables	4,114	19,979
	27,168,159	8,969,450

Fair value of trade and other payables

The carrying value of trade and other payables is equal to the fair value.

26. Financial liabilities by category

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

2014

	Other financial liabilities R	Total R
Loans from shareholders	1,716,092	1,716,092
Preference share liability	50,110,959	50,110,959
Loans and borrowings	305,981	305,981
Trade and other payables	27,168,158	27,168,158
Bank overdraft	49,775	49,775
	79,350,965	79,350,965

2013

	Other financial liabilities R	Total R
Loans and borrowings	545,368	545,368
Trade and other payables	8,355,215	8,355,215
Bank overdraft	816,462	816,462
Finance lease obligation	39,229	39,229
	9,756,274	9,756,274

27. Revenue

	2014 R	2013 Restated R
Sale of goods	110,665,797	86,868,638
Rendering of services	21,459,973	2,874,085
	132,125,770	89,742,723

28. Operating (loss) / profit

	2014	2013
Operating (loss) / profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Straight lined amounts	1,801,260	1,648,657
Equipment		
• Straight lined amounts	254,089	422,059
	2,055,349	2,070,716
Operating lease obligation		
Future minimum lease payments due		
- within one year	933,982	1,310,791
- Within two to five years	-	933,982
	933,982	2,244,773
Profit / (loss) on sale of plant and equipment	(12,363)	1,465
Impairment on joint venture	35,968	-
Impairment on trade and other receivables	1,024,018	10,950
Amortisation on intangible assets	8,818,034	6,403,068
Depreciation on property, plant and equipment	1,657,428	1,341,248
Employee costs	38,165,995	30,604,242
Loss/(gain) on exchange differences	1,013,543	(1,234,659)
Allowance for obsolete stock expensed / (reversal)	1,068,191	(77,350)
Share based payment expensed	-	21,956

29. Finance income

	2014 R	2013 R
Interest income in cash and cash equivalents	1,013,543	485,721
Other interest	-	2,428
	1,013,543	488,149

30. Finance costs

	2014 R	2013 R
Interest expense on financial liabilities at amortised cost	133,653	58,063
Interest expense on late payment of tax	27,975	-
	161,628	58,063

31. Taxation

	2014 R	2013 R
Major components of the tax expense		
Current		
Local income tax - current year	363,936	736,588
- prior year	(439 855)	-
	(75 919)	736 588
Deferred		
Originating and reversing temporary differences	(3,305,457)	(459,423)
Arising from prior period adjustments	5,925	-
	(3,299,532)	(459,423)
	(3,375,451)	277,165
Reconciliation of effective tax rate		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	(28,00)%	28,00 %
Exempt income	(1,90)%	(14,89)%
Non deductible expense	26,46 %	0,32 %
Prior period over/ (under) provision	0,39%	0,63 %
Temporary differences	- %	(10,23)%
	(3,05)%	3,83 %

32. Auditors' remuneration

	2014 R	2013 R
Fees - audit services	935,000	560,451

33. Cash generated from operations

	2014 R	2013 R
(Loss) / profit before taxation	(110,534,518)	7,236,695
Adjustments for:		
Depreciation and amortisation	10,475,962	7,744,316
Impairment of loan to joint venture	35,968	-
(Profit)/Loss on sale of property, plant and equipment	(12,363)	1,465
Foreign exchange loss / (gains)	1,762,440	(1,234,660)
Investment income	(1,013,543)	(488,149)
Finance costs	161,628	58,063
Impairment loss and fair value adjustment	104,451,278	10,950
Movements in provisions	1,685,373	396,471
Movement in share options	-	(26,852)
Movement in foreign exchange contracts	-	154,607
Inventories	(2,797,560)	(4,187,500)
Trade and other receivables	15,808,094	(1,657,672)
Trade and other payables	(5,460,186)	(470,537)
	14,526,605	7,537,196

34. Tax paid

	2014 R	2013 R (Restated)
Balance at beginning of the year	412,673	12,678
Current tax for the year recognised in profit or loss	75,919	(736,588)
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	(4,763,893)	(380,000)
Net balance at end of the year	(3,181,303)	(412,673)
	(7,456,604)	(1,516,583)

35. Dividends paid

	2014 R	2013 R (Restated)
Dividends	-	-
No dividends were declared or paid to shareholders of the parent during the current or prior financial year.		

36. Business combinations

	2014 R	2013 R (Restated)
Identifiable assets and liabilities assumed		
Plant and equipment	299 590	940 000
Intangible assets (customer relationships)	10 450 836	-
Other financial assets	10 524 760	-
Deferred tax	(4 077 264)	-
Inventories	8 416 392	600 954
Loans to shareholders	(1 913 009)	-
Trade and other receivables	30 908 824	756 246
Less: provision for doubtful debts	(2 247 695)	-
Cash and cash equivalents	6 625 619	92 320
Current tax payable	(4 763 893)	(380 000)
Trade and other payables	(21 596 193)	(422 062)
Bank overdraft	-	(181 580)
Total identifiable net assets	32 627 967	1 405 878
Goodwill	148 295 735	2 207 122
	180 923 702	3 613 000
Consideration paid		
Cash payment on 12 July 2012	-	(1,000,000)
Equity - 3 350 000 ordinary shares in Poynting Holdings Limited*	-	(2,613,000)
Equity - 66 000 000 ordinary shares in Poynting Holdings Limited**	(180,920,702)	-
	(180,923,702)	(3,613,000)
Net cash outflow on acquisition		
Cash consideration paid	-	(3,613,000)
Cash acquired	6,625,619	(89,260)
	6,625,619	(3,702,260)

* 3 350 000 Ordinary shares at R0.00005 were issued on 24 August 2012 in terms of the sale of business agreement dated 10 July 2012. The 3 350 000 shares were valued at R0.78 per share totalling R2 613 000.

** See note 5.

Radiant Antennas Proprietary Limited

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

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

African Union Communications Proprietary Limited

On 1 July 2013 African Union Communications Proprietary Limited shares were bought by issuing 66 million Poynting Holdings Limited shares at an issue price of 271 cents per share ("Share Consideration") subject to an earn-out structure ("the Acquisition"). In addition to the Share Consideration, the Sellers will receive an amount of 50% of the Actual Net Profit After Tax achieved during the financial years ending 30 June 2014, 30 June 2015 and 30 June 2016 ("Earn-Out Period") in excess of the minimum cumulative Net Profit After Tax of R38.0 million required to be achieved during such financial years. The effective date for accounting purposes was 28 February 2014, at which time the share price was 271 cents per share.

37. Contingencies

Poynting has a foreign currency guarantee to the amount of R3 585 000 at ABSA Bank.

38. Related parties

Relationships

Subsidiaries	African Union Communications Proprietary Limited - 100% (2013: 0%) Poynting Antennas Proprietary Limited - 100% (2013: 100%) Poynting Direct Proprietary Limited - 100% (2013: 100%) Poynting Empowerment Trust (Special Purpose Entity) - 100% (2013: 100%) Poynting Hong Kong Limited - 100% (2013: 100%) Poynting Inventions Proprietary Limited - 100% (2013: 100%)
Joint ventures	Tshwane East Manufacturing Incubation Centre Proprietary Limited - 49% (2013:0%)
Close family member of key management	M Dresel T Rashama
Entity with common shareholder and director	Unitrade 946 Proprietary Limited
Members of key management	APC Fourie J Dresel PAJ Ebersohn A Mellet JSV Joubert BJ von Gottberg

	2014 R	2013 R
Related party balances		
Loan accounts - Owing by / (to) related parties		
ChrunchYard SA Proprietary Limited	145,784	-
Tshwane East Manufacturing Incubation Centre Proprietary Limited	2,963,542	-
Mas Trust	(764,804)	-
R Rashama	(285,856)	-
Tebogo Rashama	(665,432)	-
Related party transactions		
Rent paid to related parties		
Unitrade 946 Proprietary Limited	551,703	500,940
Consulting project fees paid to related parties		
M Dresel (The spouse of J Dresel)	493,958	342,915

All related party balances and transactions were eliminated in consolidation except for those balances and transactions with joint ventures and directors.
All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the normal credit terms. None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

39. Directors' emoluments

Executive

2014

Figures in Rand	Emoluments	Other benefits*	Total
APC Fourie	1,526,409	287,560	1,813,969
J Dresel	1,709,980	322,556	2,032,536
PAJ Ebersohn	1,166,925	34,083	1,200,963
	4,403,314	644,154	5,047,468
2013			
APC Fourie	1,587,229	15,237	1,602,466
J Dresel	1,583,314	12,072	1,595,386
PAJ Ebersohn	1,090,584	23,876	1,114,460
	4,261,127	51,185	4,312,312

Non-executive

2014

	Compensation	Total
CP Bester	190,836	190,836
ZN Kubukeli	116,640	116,640
A Mellet	73,819	73,819
RC Willis	111,731	111,731
	493,026	493,026
2013		
CP Bester	190,836	190,836
CHJ Douglas	16,005	16,005
RC Willis	132,970	132,970
ZN Kubukeli	116,640	116,640
	456,451	456,451

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 directors direct and indirect shareholding of the Company control 41,4% of the voting shares of the Company.

40. Prior period error

During 2013, Poynting Antennas Proprietary Limited received R4 million from African Union Communications Proprietary Limited ("Aucom") relating to the development of a new product. In return, Aucom secured the rights to commissions for each product sold. The R4 million was incorrectly recognised as revenue for the year ended 30 June 2013. The fair value (plus any directly attributable transaction costs) should have been recognised as a financial liability, as there is a contractual obligation to Aucom which is dependent on the occurrence of future sales of the product.

The transaction is eliminated as a pre-existing relationship on consolidation of Aucom in the current financial period.

40. Prior period error (continued)

	2014 R	2013 R
As no error was therefore recorded in the financial year ended 30 June 2012, no third statement of financial position for 2012 has been presented.		
The correction of the error results in the following adjustments :		
Revenue		
Revenue as previously reported	-	93,743,000
Prior year error	-	(4,000,000)
Revenue as restated	-	89,743,000
Profit or loss		
Profit after Tax as previously reported	-	9,840,000
Prior year error	-	(4,000,000)
Deferred tax thereon	-	1,120,000
Profit after Tax as restated	-	6,960,000
Retained earnings		
Retained earnings as previously reported	-	24,355,000
Prior year error	-	(2,880,000)
Retained earnings as restated	-	21,475,000
Statement of financial position		
Other financial liability as previously reported	-	-
Prior year error	-	(4,000,000)
Other financial liability as restated	-	(4,000,000)
Deferred tax as previously reported	-	(2,020,000)
Prior year error	-	1,120,000
Deferred tax as restated	-	(900,000)
Net tangible asset value per ordinary share (cents) as previously reported	-	39.95
Prior year error	-	(3.07)
Net tangible asset value per ordinary share (cents) as restated	-	36.88
Basic earnings per ordinary share (cents) as previously reported	-	10.48
Prior year error	-	(3.07)
Basic earnings per ordinary share (cents) as restated	-	7.41
Diluted earnings per ordinary share (cents) as previously reported	-	10.39
Prior year error	-	(3.04)
Diluted earnings per ordinary share (cents) as restated	-	7.35
Headline earnings per ordinary share (cents) as previously reported	-	10.48
Prior year error	-	(3.07)
Headline earnings per ordinary share (cents) as restated	-	7.41
Diluted headline earnings per ordinary share (cents) as previously reported	-	10.39
Prior year error	-	(3.04)
Diluted headline earnings per ordinary share (cents) as restated	-	7.35

41. 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.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using a valuation technique.

41. Risk management (continued)

Valuation techniques applied by the group would result in financial instruments being classified as level 2 or level 3 in terms of the fair-value hierarchy. The determination of whether a financial instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the financial instrument.

The valuation technique applied to specific financial instruments depend on the nature of the financial instrument and the most appropriate valuation technique is determined on that basis.
The carrying values of other financial assets & liabilities, trade & other receivables & payables and loans & borrowings approximate their fair value.

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).

Valuation of the liability for acquisition to be settled by shares already in issue

In terms of IFRS 13.24, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (ie an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The market in Poynting shares does not have sufficient frequency and volume to provide pricing information on an ongoing basis in respect of the 49.5 million shares already in issue that are deemed under IFRS to be deferred consideration.

Poynting could not have entered into a transaction to place shares at a price of 334cps at close of business in the market on 30 June 2014, and management therefore have determined that under IFRS 13.78 this could not be a level 1 input.

Management have therefore considered a number of other indicators to determine the fair value of the deferred consideration shares. This included the 30 day Volume Weighted Average Price up to 30 June 2014 of 285 cents per share, a trade of 12 million shares on 30 May 2014 at 275 cents per share, and the price within the bid-ask spread that is most representative of fair value, which is to be used to measure fair value regardless of where the input is categorised within the fair value hierarchy.

Management considered the bid price available on 30 June 2014 by reference to the opening share price on 1 July 2014 (being 290 cents per share) and the highest traded price on 1 July 2014 (also being 290 cents per share) and has valued the liability in respect of the deferred consideration shares already in issue accordingly.

A change of 10% in the fair value of investment and liability at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant. If the liability was valued at a year end closing price of 334 cents per share, an additional loss of R21 780 000 would have been recognised.

41. Risk management (continued)

	2014 R	2013 R
Effect on profit/(loss) and equity		
10% increase	(14,355,000)	-
10% decrease	14,355,000	-
Level 3 balances comprise:		
Balance at the beginning of the year	-	-
Liability for contingent consideration	(134,145,000)	-
Revaluation in profit and loss	(9,405,000)	-
Balance at the end of the year	(143,550,000)	-

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 5, 10, 20, 21 & 24, cash and cash equivalents disclosed in note 17, 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.

The gearing ratio at 2014 and 2013 respectively were as follows:

	2014 R	2013 R
Total borrowings		
Loans from shareholders	1 716 092	-
Finance lease obligation	-	39 229
Loans and borrowings	305 981	545 368
Preference share liability	50 110 959	-
Liability contingent consideration	143 550 000	-
	195 683 032	584 597
Less: Cash and cash equivalents	85 821 015	13 585 415
Net debt / (asset)	109 862 017	(13 000 818)
Total equity	(12 341 725)	(48 616 748)
Total capital	97 520 292	(61 617 566)
Gearing ratio	113 %	21 %

41. Risk management (continued)

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.

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. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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 carrying balances as the impact of discounting is not significant.

Figures in Rand **At 30 June 2014**	Less than 1 year	Between 2 and 5 years
Loans from shareholders	1,716,092	-
Loans and borrowings	216,432	119,052
Preference share liability	4,406,400	59,824,872
Trade and other payables	27,168,158	-
Bank overdraft	49,775	-
At 30 June 2013		
Loans and borrowings	245,198	300,170
Trade and other payables	8,355,215	-
Bank overdraft	816,462	-
Finance lease obligation	9,229	-

Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial liabilities / assets. Financial liabilities and assets consist of fixed rate, floating rate and non-interest bearing components. At present the Group does not hold loans and receivables that are long-term in nature. The table below analyses the breakdown of financial instruments by type of interest rate:

Figures in Rand	2014 Fixed	2014 Floating	2013 Fixed	2013 Floating
Financial assets				
Cash and cash equivalents	-	85,870,790	-	14,401,222
Financial liabilities				
Preference share liability	-	50,110,959	-	-
Bank overdraft	-	49,775	-	816,462
Loans and borrowings	-	305,981	-	545,369
Finance lease obligation	-	-	-	39,229
	-	50,466,715	-	1,401,060

41. Risk management (continued)

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 by R826 (2013: R1 039). A hypothetical increase/decrease in interest rates by 100 basis points, with all other variables remaining constant, would increase/decrease profits after tax by R1 651 (2013: R2 079). 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 changing of their cash flows and therefore in terms of the impact on net expenses.

	2014		2013	
Only floating rate liabilities will be affected	50 basis point increase	100 basis point increase	50 basis point increase	100 basis point increase
50 basis point decrease				
100 basis point decrease				
Finance Lease and Instalment Sale Agreements	1,147	2,293	1,443	2,888
Less Tax @ 28%	(321)	(642)	(404)	(809)
	826	1,651	1,039	2,079

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, loans to related parties 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 limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate. Credit guarantee insures all foreign debtors and bills Poynting on a monthly basis for the guarantees issued and maintained.

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

	2014 R	2013 R
Financial instrument		
Loan to joint venture	2,963,542	-
Cash and cash equivalents	85,870,790	14,401,877
Trade and other receivables	29,641,725	17,907,284
Foreign exchange contract	1,174,011	171,188
Other financial assets at amortised cost	4,310,186	-
	123,960,256	32,480,349

Foreign exchange risk

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their net foreign exchange risk exposure with financial institutions. To manage their net foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts, transacted with financial institutions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group risk management policy is to economically hedge the net exposure of anticipated cash flows (mainly export sales and purchase of inventory) in each major foreign currency for the subsequent 3 months.

41. Risk management (continued)

At 30 June 2014, if the currency had weakened/strengthened by 11% against the US dollar with all other variables held constant, post-tax profit for the year would have been R 567,937 (2013: R 263,396) higher/lower, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables, financial assets at fair value through profit or loss and foreign exchange losses or gains on translation of US dollar denominated borrowings.

At 30 June 2014, if the currency had weakened/strengthened by 11% against the GBP with all other variables held constant, post-tax profit for the year would have been R8 337 (2013: R8 157) higher/lower, mainly as a result of foreign exchange gains or losses on translation of GBP denominated trade receivables.

At 30 June 2014, if the currency had weakened/strengthened by 11% against the Euro with all other variables held constant, post-tax profit for the year would have been R1 206 715 (2013: R203 423) higher/lower, mainly as a result of foreign exchange gains or losses on translation of EURO denominated trade receivables.

At 30 June 2014, if the currency had weakened/strengthened by 11% against the Euro with all other variables held constant, post-tax profit for the year would have been R89 773 (2013: R-) higher/lower, mainly as a result of foreign exchange gains or losses on translation of CNY denominated trade receivables.

Foreign currency exposure at the end of the reporting period

Current assets

	2014 R	2013 R
Trade debtors, USD 1 058 056 (2013: USD 263 104) receivable 30 June 2014	11,133,407	2,603,414
Trade debtors, EUR 532 143 (2013: EUR 179 451) receivable 30 June 2014	7,739,099	2,309,235
Cash and cash equivalents, USD 342 863 (2013: USD 119 173)	3,674,083	1,179,220
Cash and cash equivalents, EUR 517 916 (2013: EUR 20 145)	7,577,811	259,235
Cash and cash equivalents, GBP 5 794 (2013: GBP 8 028)	105,263	120,659
Liabilities		
Trade payables, USD (153 026) (2013: USD(46 177))	(1,647,022)	(456,924)
Trade payables, EUR (635 582) (2013: EUR 0)	(9,423,039)	-
Trade payables, GBP 0 (2013: GBP (1 175))	-	(17,664)
Trade payables, CNY (698 127) (2013: CNY 0)	(1,189,111)	-
Exchange rates used for conversion of foreign items were:		
Spot Rate		
USD	10.61	9.90
EUR	14.54	12.87
GBP	18.17	15.03
CNY	1.70	1.61
Average Rate		
USD	10.61	10.04
GBP	14.45	13.11
EUR	18.05	15.40
CNY	1.72	1.62

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Group expects its foreign exchange contracts to hedge foreign exchange exposure.

42. 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 ordinary course of business.

43. Events after the reporting period

As announced on SENS on 22 December 2014, the Group has concluded negotiations in respect of the disposal of loss making parts of a subsidiary and other entities.

The former Chief Executive Officer ("CEO"), Dr André Fourie, will acquire from the Company its interests in Poynting Antennas Proprietary Limited (excluding certain profitable divisions) as well as Poynting Direct Proprietary Limited, Poynting Hong Kong Limited and a minority interest in CrunchYard Holdings Proprietary Limited ("the Composite Sale").

In terms of the Composite Sale, Dr Fourie will acquire all the shares in and loan claims in Poynting Antennas, Poynting Direct, Poynting HK and CrunchYard from the Company for a purchase consideration of R35 840 000

The value of the net assets being disposed of is R30.4 million and the attributable losses thereto are R11.7 million for the year ended 30 June 2014. The Composite Transaction will be settled by the specific repurchase of 14 000 000 shares (representing 7.9% of the shares in issue), as at 30 day volume weighted average trading price per share of the Company, on 1 December 2014, being R2.56.

44. Earnings per share

	2014 R	2013 R
Basic earnings and diluted basic earnings		
Basic earnings		
(Loss) / Profit for the year	(107,159,067)	6,959,530
Less: fair value adjustment	9,405,000	-
Diluted earnings	(97,754,067)	6,9578,530
Weighted average number of shares (basic)		
Opening balance	94,604,275	93,749,890
Radiant Antennas acquisition	-	2,854,384
PSG Private equity	8,153,425	-
African Union Communications acquisition	20,975,342	-
Less: Treasury shares	(2,516,555)	(2,683,221)
Less: Escrow Shares weighted	(15,731,507)	-
Weighted average number of shares at 30 June 2014	105,484,980	93,921,053
Basic earnings per share (cents)	(101.59)	7.41
Diluted earnings per share		
Diluted weighted average number of shares		
Issued shares	105,484,979	93,425,437
Treasury shares	2,495,368	1,286,406
Escrow shares that would have been released	5,705,850	-
PSG Private Equity - Preference shares	55,890	-
	113,742,087	94,711,843
Diluted earnings per share (cents)	(85.94)	7.35
Headline earnings and diluted headline earnings per share		
Reconciliation of headline earnings		
Profit attributed to owners of the parent	(107,159,067)	6,959,530
Add: Loss on disposal of property, plant and equipment	(12,363)	1,465
Deduct: Tax on loss on disposal of property, plant and equipment	3,217	(410)
Add: impairment on goodwill	95,046,278	-
Headline earnings	(12,121,935)	6,960,585
Add back : Fair value adjustment	9,405,000	-
Diluted headline earnings	(2,716,935)	6,960,585
Shares reconciliation		
Issued shares	92,087,720	88,554,275
Shares dematerialised	-	16,779
Treasury shares	2,516,555	2,683,221
Radiant Antennas acquisition	-	3,350,000
PSG Private Equity	16,000,000	-
African Union Communications acquisition	66,000,000	-
	176,604,275	94,604,275
Headline earnings per share (cents)	(11,48)	7.41
Diluted headline earnings per share (cents)	(2.39)	7.35

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.

Notice is hereby given that the seventh Annual General Meeting ("Annual General Meeting") of shareholders of Poynting will be held at 10:00 on Friday, 27 February 2015 at 1 Travertine Avenue, 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, 2008 (Act 71 of 2008), as amended, 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, 20 February 2015. Accordingly, the last day to trade Poynting shares in order to be recorded in the Register to be entitled to vote will be Friday, 13 February 2015.

1. To receive, consider and adopt the annual financial statements of the Company and the Group for the financial year ended 30 June 2014, including the reports of the auditors, directors and the Audit and Risk Committee.
2. To re-elect, Zuko Ntsele Kubukeli 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.
3. To appoint, Pieter Nicolaas de Waal as a member of the Company's Board.
4. To appoint, Bernd Johannes von Gottberg as a member of the Company's Board.
5. To appoint Jacobus Stefanus Villiers Joubert as a member of the Company's Board.

   An abbreviated curriculum vitae in respect of the directors offering themselves for election / re-election appear on page 8 and 9 of the integrated annual report to which this notice is attached.
6. To appoint, Zuko Ntsele Kubukeli as a member and Chairperson of the Company's Audit and Risk Committee.
7. To appoint, Pieter Nicolaas de Waal as a member of the Company's Audit and Risk Committee.
8. To appoint, Coenraad Petrus Bester as a member of the Company's Audit and Risk Committee.

   An abbreviated curriculum vitae in respect of each member of the Audit and Risk Committee appears on pages 8 and 9 of the integrated annual report to which this notice is attached.
9. To appoint, Pieter Nicolaas de Waal as a member and Chairperson of the Company's Investment Committee.
10. 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.

Voting and proxies

The minimum percentage of voting rights required for each of the resolutions set out in item number 1 to 10 above to be adopted of this Annual General Meeting is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the Annual General Meeting.

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

11. SPECIAL RESOLUTION NUMBER 1

Non-executive Directors' remuneration

"Resolved that, in terms of the provisions of section 66(9) of the Companies Act, 2008 (Act 71 of 2008), as amended, ("the Companies Act") the annual remuneration payable to the non-executive directors of Poynting Holdings Limited ("the Company") for their services as directors of the Company for the financial year ending 30 June 2015, be and is hereby approved as follows:

Notice of Annual General Meeting

Type of fee	Approved fee in ZAR for the year ended 30 June 2014	Proposed fee in ZAR for the year ending 30 June 2015
Board		
Chairperson*	R167,400	R210,000
Member	R 55,987	R 55,000
Audit Committee		
Chairperson	R 60,652	R 65,000
Member	R 13,000	R 40,000
Human Resources and Remuneration Committee		
Chairperson	R 47,652	R 30,000
Member	R 13,000	R 15,000

* *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 nomination investment and 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.*

Explanatory note

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 2014 was obtained at the Annual General Meeting held on 15 January 2014 and consequently pre-approval of remuneration to the non-executive directors for their services as directors for the year ending 30 June 2015 is being sought at the Annual General Meeting.

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 Annual General Meeting.

12. ORDINARY RESOLUTION NUMBER 1

Approval of remuneration policy

"**Resolved that** the remuneration policy of the directors of Poynting Holdings Limited ("the Company"), as set out on page 24 of the integrated annual report to which this notice is attached, be and is hereby approved as a non-binding advisory vote of shareholders of the Company in terms of the King III Report on Corporate Governance."

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 Annual General Meeting.

13. ORDINARY RESOLUTION NUMBER 2

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 ("directors") 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, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and the Listings Requirements of JSE Limited, as amended from time to time."

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.

14. ORDINARY RESOLUTION NUMBER 3

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, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited ("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 15% (fifteen percent) of the number of listed securities, excluding treasury shares, as at the date of this notice, being 26 113 157 securities. Any securities issued under this authorisation will be deducted from the aforementioned 26 113 157 listed securities. In the event of a sub-division or a consolidation the authority will be adjusted to represent the same allocation ratio;
- 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 impact on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published when the Company has, 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 on the JSE Limited of the ordinary shares 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 3 must be passed by a 75% (seventy five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the Annual General Meeting excluding the Designated Adviser and the controlling shareholder(s) together with their associates.

15. SPECIAL RESOLUTION NUMBER 2

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, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited ("the JSE"), as amended from time to time.

Notice of Annual General Meeting

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 10% (ten 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 of directors of the Company ("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 2 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.

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 Annual General Meeting.

15.1 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:

- directors and management – pages 8 and 9;
- major shareholders of the Company – page 40;
- directors' interests in securities – page 40; and
- share capital of the Company – page 83.

15.2 Litigation statement

In terms of paragraph 11.26 of the JSE Listings Requirements, the directors, whose names appear on page 8 to 9 of the integrated annual report of which the notice of annual general meeting forms part, are not aware of any legal or arbitration proceedings, other than those provided for on page 90, if any, that are pending or threatened, that may have or had in the recent past, being at least the previous 12 months, a material effect on Poynting's financial position.

15.3 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, other than those disclosed on Note 43 of the integrated annual report.

15.4 Directors' responsibility statement

The directors, whose names are given on pages 8 to 9 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 2 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 2 that have been omitted which would make any statement in relation to special resolution number 2 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 2 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 2.

15.5 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.

The Company may not enter the market to proceed with the repurchase until its Board has discharged of all of its responsibilities in terms of the JSE Listings Requirements insofar as they apply to working capital statements for the purposes of undertaking an acquisition of its issued ordinary shares.

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.

16. SPECIAL RESOLUTION NUMBER 3

Financial assistance in terms of sections 44 and 45 of the Companies Act

"**Resolved** that, to the extent required by the Companies Act, 2008 (Act 71 of 2008), as amended, ("the Companies Act"), the board of directors of the Company ("the Board") may, subject to compliance with the Memorandum of Incorporation of the Company, sections 44 and 45 of the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, a guarantee, the provision of security or otherwise, to:

16.1 any of its present or future subsidiaries and/or any other Company or corporation that is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the acquisition of or 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; and

16.2 the directors or prescribed officers of the Company (or any person related to any of them or to any Company or corporation related or inter-related to any of them), or to any other person who is a participant in any of the Company's or group of companies' share or other employee incentive schemes, for the purpose of, or in connection with, the acquisition of or subscription for any option or any securities issued or to be issued by the Company or a related or inter-related Company, where such financial assistance is provided in terms of any scheme that does not satisfy the requirements of section 97 of the Companies Act, which authority shall be valid until the Company's next annual general meeting."

Reason for and effect of special resolution number 3

The reason for and effect of this special resolution number 3 is to obtain an authority for the Board, and to authorise the Company, by way of a special authority, to provide direct or indirect financial assistance by way of a loan, a guarantee, the provision of security or otherwise.

The Board undertakes that, in so far as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that –

(i) immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as contemplated in the Companies Act; and

(ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

17. ORDINARY RESOLUTION NUMBER 4

Signature of documents

"Resolved that each director of the Poynting Holdings Limited ("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, where necessary"

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 Annual General Meeting.

18. OTHER BUSINESS

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

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.

A shareholder 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 forwarded to reach the transfer secretaries, Computershare Investor Services Proprietary Limited, at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the 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.

By order of the Board

31 December 2014

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 seventh Annual General Meeting of shareholders of the Company to be held at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion at 10:00 on Friday, 27 February 2015 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.	To receive, consider and adopt the annual financial statements of the company and group for the financial year ended 30 June 2014			
2.	To approve the re-election as director of Zuko Ntsele Kubukeli who retires by rotation			
3.	To appoint, Pieter Nicolaas de Waal as a member of the Company's Board			
4.	To appoint, Bernd Johannes von Gottberg as a member of the Company's Board			
5.	To appoint Jacobus Stefanus Villiers Joubert as a member of the Company's Board			
6.	To approve the appointment of Zuko Ntsele Kubukeli as member and Chairperson of the Audit and Risk Committee			
7.	To appoint, Pieter Nicolaas de Waal as a member of the Company's Audit and Risk Committee			
8.	To appoint, Coenraad Petrus Bester as a member of the Company's Audit and Risk Committee			
9.	To appoint, Pieter Nicolaas de Waal a member and Chairperson of the Company's Investment Committee			
10.	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			
11.	**Special resolution number 1** Approval of the non-executive directors' remuneration			
12.	**Ordinary resolution number 1** Approval of the remuneration policy			
13.	**Ordinary resolution number 2** Control of authorised but unissued ordinary shares			
14.	**Ordinary resolution number 3** Approval to issue ordinary shares, and to sell treasury shares, for cash			
15.	**Special resolution number 2** General approval to acquire shares			
16.	**Special resolution number 3** Financial assistance in terms of sections 44 and 45 of the Companies Act			
17.	**Ordinary resolution number 4** Signature of documents			

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 2015

Signature

Assisted by (if applicable)

NOTICE OF ANNUAL GENERAL MEETING

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 forty eight 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 favour 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).

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

    Hand deliveries to:
    Computershare Investor Services Proprietary Limited
    Ground Floor,
    70 Marshall Street,
    Johannesburg,
    2001

    to be received by no later than 10:00 on Wednesday, 25 February 2015 (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 initialled. Any alteration or correction must be signed and not merely initialled.
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 of Electronic Post

31 December 2014

Dear Poynting Holdings Limited Shareholder

Notice of publication of annual financial statements for the financial year ended 30 June 2014

Poynting 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 2014.

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.poynting.co.za, or
2. By requesting a copy of the annual financial statements from Poynting Holdings Limited by means of either:

a. Email: Ruenelle.Ramnath@poynting.co.za

b. Fax: 086 620 0565

c. Post to PO Box 76579, Wendywood 2144

or

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

(Please note that the integrated annual report 2014 will only be available in electronic format unless a specific hard copy is requested.)

Yours faithfully

BJ von Gottberg

Corporate Information

POYNTING HOLDINGS LIMITED
Registration Number 1997/011142/06
Share Code: POY   ISIN: ZAE000121299
("Poynting" or "the Company" or "the Group")
www.poynting.co.za

Country of incorporation and domicile
South Africa

Nature of business and principal activities
The group designs and manufactures specialised antennas and other related radio frequency (RF) products and provides end to end solutions for radio and TV broadcasters

Directors
CP Bester*^ (Chairperson),
J Dresel (German) (Chief Executive Officer),
PN de Waal^,
JSV Joubert
ZN Kubukeli*^,
BJ von Gottberg (Financial Director)

*Independent ^Non-executive

Registered office
1 Travertine Avenue
N1 Business Park
Old Johannesburg Road
Centurion
South Africa
0157

Postal address
PO Box 76579
Wendywood
Johannesburg
South Africa
2144

Bankers
ABSA Bank Limited

Auditors
KPMG Inc
Chartered Accountants (SA)
Registered Auditor

Secretary
Merchantec Proprietary Limited

Designated Adviser
Merchantec Proprietary Limited
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)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Registration Number 2004/003647/07
Ground Floor, 70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Investor Relations
Keyter Rech Investor Solutions cc
Registration Number 2008/156985/23
5 2nd Road, Hyde Park, 2196

PRINCIPAL SUBSIDIARIES
Poynting Inventions Proprietary Limited
Registration Number 2013/048197/07

Defence & Specialised Antennas Division
Managing Director: Jürgen Dresel
1 Travertine, N1 Business Park, Kosmosdal, Centurion, 0157
Tel +27 (0)10 007 2020

African Union Communications Proprietary Limited
Registration Number 1999/000409/07

Digital TV Division
Managing Director: Villiers Joubert
394 Cliff Avenue, Waterkloof Ridge X2, Pretoria
Tel +27 (0)12 001 8670

Poynting

Making wireless happen