



Africa Clean Energy Solutions Limited

(Incorporated in the Republic of Mauritius)

(Registration number: 152282 C1/GBL)

Having its address at

c/o Intercontinental Trust Ltd, Level 3, Alexander House

35 Cybercity, Ebene 72201, Mauritius

SEM share code: ACES.N0000

ISIN: MU0620N00008

LEC/P/17/2018

(“ACES” or “the company”)

LISTING PARTICULARS

The definitions commencing on page 12 of these Listing Particulars have, where appropriate, been used on this cover page.

An application was made for the listing of up to 60,441,542 ordinary no par value shares of ACES on the Official Market of the SEM. Accordingly, these Listing Particulars were prepared and issued in compliance with the Listing Rules governing the listing of securities on the Official Market of the SEM:-

- in respect of the listing of the 25,441,542 shares already in issue on the Official Market of the SEM;
- in respect of the listing of up to 1,523,423 additional shares to be issued by the Company at a price of USD 0.304 per share, upon the exercise of the Options by the Option holders;
- in respect of the listing of up to 600 000 additional shares at an issue price of USD 1.00 per share in terms of the initial placing and which shares will be listed simultaneously with the 25,441,542 shares already in issue;
- in respect of the listing of up to an additional 32,876,577 shares through various placings and/or consideration issues, which will take place subsequent to the SEM listing to fund the projects as enumerated in **Annexure 8**; and
- to provide information to targeted investors with regard to the company.

It is expected that dealings in the shares of the company on the SEM Official Market will commence on or around 31 May 2019. On the first day of listing and trading on the SEM, at least three percent of the issued ordinary shares of the company as at that date, will be made available for trading at an indicative price of USD 1.00 per share. This price has been

determined following an independent valuation of 100% of the ordinary issued shares of ACES as at 31 December 2018, carried out by BDO Corporate Finance (Pty) Ltd, an affiliated company of BDO South Africa Inc.

This document does not constitute an invitation to the public to subscribe for shares in ACES.

	Date
Closing date of the initial placing at 15:00 (Mauritius time) on or around	29 May 2019
Proposed date of listing on the Official Market of the SEM on or around	31 May 2019

A copy of these Listing Particulars is available in English only, accompanied by the documents referred to under "Documentation available for inspection" as set out in section five, paragraph 14 of these Listing Particulars.

These Listing Particulars are distributed in connection with a placing of the shares of the company, none of which will be issued to any person other than a person to whom a copy of these Listing Particulars is provided by the company. It is issued in compliance with the Listing Rules for the purpose of giving information to the public regarding ACES and to provide information to targeted investors.

Immediately following the initial placing and the SEM listing, based on the assumption that all the placement shares are subscribed for, the stated capital of ACES will comprise 26,041,542 ordinary no par value shares.

These Listing Particulars include particulars given in compliance with the Stock Exchange of Mauritius Ltd Rules governing the Official Listing of Securities for the purpose of giving information with regard to the company. The directors, whose names appear on page 15 and **Annexure 1**, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in these Listing Particulars and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no facts the omission of which would make any statement herein misleading.

The legal advisor as to Mauritian law, SEM authorised representative & sponsor and Mauritian transaction advisor, independent financial advisor, company secretary, auditors, Mauritian banker and Mauritian registrar and transfer agent, whose names are included in these Listing Particulars, have consented in writing to the inclusion of their names in the capacity stated and have not withdrawn their written consent prior to publication of these Listing Particulars.

These Listing Particulars includes forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the company and its future prospects. These forward-looking statements have been based on current expectations and projections which, although the directors believe them to be reasonable, are not a guarantee of future performance.

The distribution of these Listing Particulars and the placing, sale or delivery of the ACES shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of these Listing Particulars are advised to consult their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. These Listing Particulars may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Targeted investors should not treat the contents of these Listing Particulars as advice relating to legal, taxation, investment or any other matters. Targeted investors should inform themselves as to (i) the legal requirements within their own respective country for the purchase, holding, transfer or other disposal of shares; (ii) any foreign exchange restrictions

applicable to the purchase, holding, transfer or other disposal of shares which they may encounter; (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares. Prospective investors must rely on their own representatives, including their own legal advisors and accountants, as to legal, tax, investment or any other related matters concerning the company and an investment therein. These Listing Particulars should be read in its entirety before making any application for shares.

These Listing Particulars were approved by the Listing Executive Committee (“**LEC**”) of the SEM, in conformity with the Listing Rules, on 29 November 2018.

Neither the LEC of the SEM, nor the SEM, nor the FSC assumes any responsibility for the contents of these Listing Particulars. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in these Listing Particulars and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission was granted by the LEC on 29 November 2018 in respect of the listing of:-

- 25,441,542 shares already in issue on the Official Market of the SEM;
- up to 1,523,423 additional shares to be issued by the Company at a price of USD 0.304 per share, upon the exercise of the Options by the Option holders;
- up to 600,000 additional shares of ACES pursuant to the initial placing and the SEM listing; and
- up to an additional 32,876,577 shares through various placings and/or consideration issues, which will take place subsequent to the SEM listing and this approval shall be valid for a period of 12 months starting from the date of these Listing Particulars.

Following the initial placing, up to 26,041,542 shares of the company will be listed on the Official Market of the SEM on or around 31 May 2019.

In these Listing Particulars, unless otherwise stated, an indicative USD:MUR exchange rate of USD1.00:MUR35.00 has been used.

A copy of these Listing Particulars has been filed with the FSC.

Company secretary

Intercontinental Trust Ltd

SEM authorised representative & sponsor and Mauritian transaction advisor**Independent financial advisor****Legal advisor as to Mauritian law**

Date and place of incorporation of the company: 8 December 2017, Mauritius
Date of initial issue of these Listing Particulars: 29 November 2018
Listing Particulars updated on 29 May 2019

CORPORATE INFORMATION

Registered office and postal address of the company

c/o Intercontinental Trust Ltd
Level 3, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(Postal address same as physical address)

Company Secretary

Intercontinental Trust Ltd
Level 3, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(Postal address same as physical address)

SEM Authorised Representative & Sponsor and Mauritian Transaction Advisor

Perigeum Capital Ltd
Level 4, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(Postal address same as physical address)

Mauritian banker

AfrAsia Bank Ltd
Bowen Square
10, Dr Ferriere Street
Port Louis, Mauritius
(Postal address same as physical address)

Legal advisor as to Mauritian law

C&A Law (Registered as a Law Firm in Mauritius)
Suite 1005, Level 1, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(Postal address same as physical address)

Auditors

BDO & Co
10, Frere Felix de Valois Street
Port Louis
Mauritius
(Postal address same as physical address)

Mauritian Registrar and Transfer Agent

Intercontinental Secretarial Services Ltd
Level 3, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(Postal address same as physical address)

Independent Financial Advisor

BDO & Co
10, Frere Felix de Valois Street
Port Louis
Mauritius
(Postal address same as physical address)

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IMPORTANT DATES AND TIMES⁽¹⁾

	Date
Closing date of the initial placing at 15:00 (Mauritius time) on or around	29 May 2019
Listing of shares on the SEM at commencement of trade on or around	31 May 2019
Accounts at banks or brokers updated in respect of dematerialised shareholders that subscribed for shares in terms of the initial placing on or around	31 May 2019

Notes

(1) *All times quoted are local time in Mauritius.*

(2) *The above dates and times are subject to amendment. Any such amendment will be published in the press in Mauritius.*

INTRODUCTION TO ACES AND OVERVIEW

The definitions commencing on page 12 of these Listing Particulars have, where appropriate, been used in this section.

The company was established in Mauritius on 8 December 2017 as a Global Business License company.

The ACES Group, through the incorporation of SACE, was established in 2007 by David Kruger and Melvyn Antonie with the specific objective of developing and operating clean energy power plants throughout Africa and to become a significant independent provider of clean energy.

Initially, the Group concentrated on opportunities in South Africa and Namibia, but as these opportunities became extremely competitive and administratively complex, it was decided in 2014 to explore opportunities outside of South Africa and Namibia, more particularly in Kenya and Uganda initially and subsequently in Zambia.

Key company milestones delivered and achieved by management over the last 4 years, and set out for the forthcoming years, are highlighted below:

- 2014 – Five African countries were selected after a detailed due-diligence, including South Africa. A Black Economic Empowerment (“BEE”) partnership was formed in South Africa and two projects (one solar project (3 MW) and one biomass project (4.2 MW) were established with a COD of 2020.
- 2015 – Two Namibia projects were established on the Independent Power Producer (“IPP”) program, a local partner identified and an SPV was established in that country. Two solar projects of 5 MW each, were successfully developed with a COD of June 2019.
- 2016 - Since the strategic decision in 2014 to expand into selected African Countries, management incorporated a new company, ACES (UK) in 2016 in London for projects to be established in selected African Countries. Local partners were identified in both Kenya and Uganda and SPVs were formed in the respective countries. Through a detailed due diligence process conducted during 2016, management identified four projects (solar and biogas) in Kenya and Uganda for development and execution. The Kenyan projects comprise two hybrid plants each comprising a 10 MW Solar plant and a 10 MW Biogas plant. The Ugandan projects comprise two 20 MW biogas plants. Estimated financial closure of the first Kenyan project is July 2019 and the second Kenyan plant is January 2020. The financial close for the first Ugandan Project is September 2019 and the second is May 2020 and the estimated COD for the four projects is between 2020 and 2021.
- 2017 – As per the agreed strategic expansion strategy, management incorporated ACES in Mauritius in December 2017, as the group holding company.
- Following a detailed due diligence process in 2017, Zambia was identified as the next selected African Country for expansion. A local partner was selected and an SPV has been formed.
- In April 2018, ACES acquired the entire issued share capital of ACES (UK).

- 2018:
 - A Zambian project (Getfit program) was submitted (solar) for development and execution. ACES did not qualify for the first round in the Getfit program. The Government will make a final selection of IPPs who have qualified for first round of the Getfit program in April 2019. Notwithstanding, ACES is in discussions with one of the three qualifiers to do a joint venture.
 - Three further selected African Countries were identified (Ivory Coast, Ghana and Mozambique) for solar and biogas projects – these projects are currently under investigation.
 - The ACES Board resolved to apply for a listing on the Official Market of the SEM in order to formalise and further the business interests of ACES.
 - In November 2018, the Listing Executive Committee of the SEM approved the listing of the shares of ACES on the Official Market of the SEM.

The main high-level strategic objectives of ACES for the forthcoming years are to:

- Become one of the major publicly-owned (non-government) utility investment and management companies in clean energy (renewable energy) projects in Africa within the next 5 years;
- Adhere to best practice corporate governance and ethical business practice;
- Operate a sustainable business and provide superior financial returns to its shareholders;
- Provide a business platform for continuous innovation and improvement of clean energy processes, services and products;
- Meet the 21st century challenges of supplying clean energy and meeting environmental needs particularly as they apply to Africa;
- Provide sustainable shared-value for all stakeholders and corporate social responsibility assistance to local communities where its plants are established and operated;
- Apply for a listing on other recognised International Stock Exchanges.

As a first step in the SEM listing process, ACES has acquired the entire issued share capital of ACES (UK). ACES (UK) holds all the interests of the Group in Kenya, Uganda and Zambia. Within the first year following the SEM listing, ACES is expected to acquire the business of SACE, the original company formed by David Kruger and Melvyn Antonie in South Africa. SACE holds the investments in the South African and Namibian projects.

The ACES strategy can be divided into two time frames:

- The short-term strategy; designed to develop, finance, build and own projects using its chosen technologies in the geographical areas of operation; and
- The long-term strategy of ACES which aims:

- a) to continue to develop, finance, build and own projects using its chosen technologies in the geographical areas of operation; and
- b) through the ownership of the plants generate a strong positive cash flow for the benefit of the Group and its shareholders.

As highlighted in **Annexure 1**, the company is led by individuals with significant experience and a successful track record in the renewable energy space. Melvyn Antonie and David Kruger were appointed by the board of directors of ACES as the only executive directors of the company. All the other directors are non-executive.

ACES has been established in Mauritius in order to take advantage of Mauritius' business friendly infrastructure and tax regime and the double tax agreements that Mauritius has negotiated with many of the jurisdictions in which the company intends to invest. It is envisaged that the listing on the SEM will provide access to a global investor base of managed funds, high net worth individuals and other sources of capital who view Mauritius as an attractive investment destination.

Listing on additional exchanges

To broaden its investor base and source additional capital to fund growth aspirations, ACES will consider listing its shares on other recognised international Stock Exchanges in order to:

- provide an additional source of capital to fund the growth aspirations of the company;
- enhance potential investors' awareness of the company;
- improve the depth and spread of the shareholder base of the company, thereby improving liquidity in the trading of its shares;
- provide invited investors, both institutional and private, the opportunity to participate directly in the income streams and future capital growth of the company; and
- provide invited investors with an additional market for trading the company shares.

DEFINITIONS

In these Listing Particulars and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“ACES” or “the company”	Africa Clean Energy Solutions Limited (Registration Number 152282 C1/GBL), a company incorporated in accordance with the laws of Mauritius and holding a Global Business License issued by the Financial Services Commission of Mauritius;
“ACES Group” or “Group”	ACES and its subsidiaries as referred to in these Listing Particulars and companies associated with ACES in South Africa and Namibia;
“ACES shares” or “shares”	ordinary no par value shares in the share capital of the company;
“ACES (UK)”	Africa Clean Energy Solutions (ACES) Limited, duly incorporated in accordance with the Company laws of England And Wales, its registration number being 10121592;
“business day”	any day other than a Saturday, Sunday or official public holiday in Mauritius;
“clean energy”	Clean energy may also be called <i>renewable energy</i> or <i>green energy</i> and it specifically refers to energy produced usually from renewable resources;
“CDS”	Central Depository & Settlement Co Ltd approved under the Securities (Central Depository, Clearing and Settlement) Act 1996 of Mauritius;
“CDM”	Clean Development Mechanism as defined in terms of the Kyoto Protocol;
“certificated shares”	shares in respect of which physical share certificates will be issued;
“Constitution”	the constitution of the company approved by shareholders at a meeting on 31 October 2018, subject to the approval of SEM;
“COP 21 Protocol”	the COP 21 Protocol is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC), aimed at fighting global warming, which came into effect in 2016;

“dematerialise” or “dematerialisation”	the process whereby physical share certificates are replaced with electronic records of ownership under CDS with the duly appointed broker, as the case may be;
“dematerialised shareholder”	a holder of dematerialised shares;
“dematerialised shares”	shares which have been dematerialised and deposited in the CDS;
“directors” or “the board” or “board of directors”	the directors of the company as at the date of these Listing Particulars, further details of whom appear in Annexure 1 of these Listing Particulars;
“FSC”	the Financial Services Commission of Mauritius;
“IFRS”	International Financial Reporting Standards;
“initial placing”	an offer to targeted investors to subscribe for up to 600 000 shares on the SEM at a price of USD 1.00 per share.
“investment strategy”	the investment strategy of the company as determined by the board of directors, further details of which are contained on page 19 in paragraph 4 of these Listing Particulars;
“ITL” or “company secretary”	Intercontinental Trust Ltd, the particulars of which are contained in the “Corporate Information” section;
“Kyoto Protocol”	the Kyoto Protocol, which was signed by 187 nations, which was replaced by COP 21 Protocol is aimed at reducing carbon emissions by the introduction and use of clean energy;
“last practicable date”	the last practicable date prior to the finalisation of these Listing Particulars, being 31 March 2019;
“LEC”	Listing Executive Committee of the SEM;
“listing date”	the anticipated date of listing of the shares on the SEM official market, being on or around 31 May 2019;
“Listing Particulars”	this document and its annexures, dated 29 November 2018 and updated on 29 May 2019, which have been prepared in compliance with the Listing Rules;
“Listing Rules”	the Listing Rules of the SEM governing the Official Market;
“management”	the current management of the company, as detailed in Annexure 1 ;
“Mauritian Companies Act”	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended from time to time;
“Mauritius”	the Republic of Mauritius;

“MUR” or “Rs”	the Mauritian Rupee;
“Options”	Options to various trusts and individuals by the Company, the details of which are set out in Paragraph 12 of Section Five;
“Option holders”	The holder of the Options issued by the company;
“placement shares”	up to 600 000 shares being offered pursuant to the initial placing;
“SA” or “South Africa”	the Republic of South Africa;
“SACE”	South Africa Clean Energy Solutions Limited, a public unlisted company incorporated according to the laws of South Africa, its registration number being 2007/022753/06;
“SEM”	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius;
“SEM listing”	the listing of up to 26,041,542 shares for trading on the SEM Official Market which is expected to take place on or around 31 May 2019;
“SEM Official Market” or “Official Market”	the list of all securities admitted for quotation on the SEM Official Market;
“shareholder”	a holder of shares in the company;
“targeted investors”	those private clients, selected financial institutions and retail investors who may be invited to participate in the various placings (including the initial placing);
“USD” or “US\$”	The official currency of the United States of America; and
“various placings”	The issue and listing of further ACES shares on the SEM subsequent to the SEM listing.



Africa Clean Energy Solutions Limited

(Incorporated in the Republic of Mauritius)

(Registration number 152282 C1/GBL)

Having its address at

c/o Intercontinental Trust Ltd, Level 3, Alexander House

35 Cybercity, Ebene, 72201, Mauritius

SEM share code: ACES.N0000

ISIN: MU0620N00008

LEC/P/17/2018

("ACES" or "the company")

Directors of the company

Johan David Kruger – *Chief Executive Officer*

Melvyn Joseph Antonie – *Chief Operating Officer*

Gaetan Siew – *Independent Non-Executive Director and Chairman*

James Friedlander - *Independent Non-Executive Director*

Smitha Algoo-Bissoonauth – *Non-Executive Director*

Toorisha Nakey-Kurnauth – *Non-Executive Director*

SECTION ONE - INFORMATION ON THE COMPANY

1. INTRODUCTION

The purpose of these Listing Particulars is to provide information to investors in relation to the company and its activities.

2. DIRECTORS AND MANAGEMENT OF THE COMPANY

2.1. ACES's board of directors

Annexure 1 contains the following information:

- 2.1.1. details of directors and executive management including their names, addresses, qualifications, occupations and experience;
- 2.1.2. information concerning the appointment, remuneration, terms of office and borrowing powers of the directors;
- 2.1.3. directors' interests; and
- 2.1.4. directors' other directorships and partnerships.

2.2. Key Service Providers

- 2.2.1. *Company secretary*

It is anticipated that the board will leverage off existing operations within its duly appointed company secretary in Mauritius, ITL and associated companies for operations management, finance and accounting.

ITL is licensed by the FSC to provide a comprehensive range of financial and fiduciary services to international businesses. All administrative business functions of the company shall be carried out by ITL in Mauritius.

2.2.2. *SEM authorised representative & sponsor and Mauritian transaction advisor*

The company has appointed Perigeum Capital Ltd (“Perigeum Capital”) as its SEM authorised representative & sponsor and Mauritian transaction advisor. Perigeum Capital holds an Investment Advisor (Corporate Finance Advisory) license issued by the Mauritius Financial Services Commission on 21 February 2017. Perigeum Capital is in fact the first corporate finance firm in Mauritius to have been granted such a licence from the FSC. Being the holder of such a licence, Perigeum Capital can act as SEM authorized representative and sponsor for companies listed on the SEM.

Perigeum Capital has been in existence since 2015 and is a corporate finance house which is geared towards providing businesses with the professional representation and insight they need to execute successful transactions within the precincts of their individual corporate objectives and beyond.

Perigeum Capital handled the listing application process with the SEM and was engaged to advise the company and its directors on compliance with ongoing SEM listing obligations. Perigeum Capital may opportunistically also assist the company with any capital raising.

2.2.3. *Other Third-Party Service Providers*

In addition, it is envisaged that the company will outsource a number of functions to specialist third-party service providers. Such service providers may include without limitation: company administrators, legal counsel, accountants, auditors and bankers.

In this regard, the board of ACES will engage only with reputable institutions with established track records for the provision of such services.

3. INCORPORATION, HISTORY AND NATURE OF BUSINESS

3.1. Incorporation, name and address

ACES was incorporated in Mauritius on 8 December 2017 as a private company limited by shares in accordance with the Mauritian Companies Act 2001 and holds a Global Business License issued by the FSC in accordance with the Financial Services Act 2007 of Mauritius and has been operational since early January 2018. The company was converted into a public company by way of a special resolution passed by shareholders on 7 March 2018. The company’s

registered office address is at c/o Intercontinental Trust Ltd, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius.

3.2. **History**

SACE was established by Dave Kruger and Melvyn Antonie in 2007 in South Africa, with the initial objective of exploring opportunities in South Africa and Namibia. However, as these opportunities became competitive and administratively complex, it was decided by the Board of directors of SACE in 2014, to explore opportunities outside of South Africa and Namibia, more particularly in Kenya and Uganda initially and subsequently in Zambia, Mozambique, Ivory Coast and Tanzania.

During 2014, it was decided to investigate a listing on the AIM market on the London Stock Exchange and a subsequent secondary listing on the Johannesburg Stock Exchange. During the investigation, it was concluded that a company needed to be registered in the UK for this purpose.

In 2016, ACES (UK) was formed in the UK, with a view to creating a structure to accommodate the development and growth in Africa, more particularly in Kenya and Uganda, and subsequently in Zambia but at the same time to be used as a listing vehicle on the AIM.

ACES (UK) was formed with a nominal share capital of GBP 300 comprising 300 shares at GBP 1 each. The registered shareholders were Dave Kruger, James Friedlander and Melvyn Antonie each being shareholders of SACE and each holding 100 shares in ACES (UK) for and behalf of the SACE shareholders.

The intention was to sell the issued shares of SACE to ACES (UK) in exchange for shares, which would have had the effect of ACES (UK) being the holding company of SACE. SACE shareholders would then hold their equivalent percentage of shares in ACES (UK).

Unfortunately, the South African Exchange Authorities declined the proposed structure and the ACES Group had to reconsider its strategy.

It was subsequently decided to set up a company in Mauritius. ACES was therefore registered on 8 December 2017 in Mauritius, as a public company with a no par value share capital. In order to ensure that the SACE shareholders participated in a like manner in ACES, the SACE shareholders subscribed for new shares in ACES, at a nominal value. This structure and subscription was done in compliance with the South African Exchange Control Authority rules and regulations.

Although ACES is a separate company, it has common shareholders with SACE and two of the SACE directors, viz Dave Kruger and Melvyn Antonie are executive directors of ACES.

From the date of the registration of ACES (UK), the ACES Group expanded its activities into Kenya, Uganda and Zambia. In order to progress these developments, separate companies were created in each jurisdiction. The equity of these separate companies was held by ACES (UK). At the time ACES was registered in 2017, the intrinsic value of ACES (UK) increased.

However, the main intention for the formation of ACES (UK) was to create a vehicle for listing purposes and as the holder of African assets, but at the same time to ensure that the shareholders of SACE, who had financed the ACES

Group over many years, would participate in the holding of African assets at the same percentage that they held in SACE.

It was never the intention, when ACES (UK) was registered, by Dave Kruger, James Friedlander and Melvyn Antonie, for them to benefit from the structure to the exclusion of the SACE shareholders. In fact, they were nominee shareholders in ACES (UK) for the SACE shareholders.

The acquisition of ACES (UK) by ACES was done at nominal value, after taking into account all these circumstances and on legal advice.

In order to meet the objectives, develop its broader strategy and meet the requirements of the shareholders of the ACES Group, ACES was established in Mauritius and acquired ACES (UK) in exchange for shares in April 2018.

3.3. Nature of the business

3.3.1. The company has been established with the aim of developing and operating clean energy power plants throughout Africa and to become a significant independent provider of clean energy, but at the same time make a positive impact on people's life, creating a cleaner environment, while offering a sustainable return to the company's investors.

3.3.2. The nature of the business of the ACES Group is as follows:

- provide clients with a clean energy solution;
- finance, build, own and operate the plants and sell energy to clients on a long-term contractual basis;
- provide a turn-key solution should a client wish to own the plant;
- each subsidiary company of ACES, either through its own resources or through associate third parties, identifies suitable clean energy projects falling essentially within the following sectors:
 - "Biomass/Biogas" and Waste –to – Energy technology; and
 - Solar technologies;
- assess a project's capability to provide a partial or total clean energy solution and a project's economic viability;
- prepare a comprehensive feasibility study once the first stage is complete and if the project is bankable, the ACES Group funds the project from its own resources or raises funds for the project;
- should the ACES Group provide or arrange finance for a project, it will also provide management skills and business input on an ongoing basis;
- if the clean development mechanism ("CDM") is still in force, the ACES Group will consider submitting the project to the United Nations for accreditation; and

- the ACES Group concentrates its efforts only on National Energy Utilities, mining, commercial and industrial opportunities in Africa.

3.3.3. The goal of the company is to become a utility company in various African countries in the renewable energy field.

3.3.4. ACES is led by an experienced board and management team with an extensive track record in the renewable energy space, with 5 projects in three countries in various development stages.

3.4. **Financial year-end**

The financial year-end of the company is 30 June each year.

4. **INVESTMENT POLICY**

4.1. **Business strategy**

ACES's strategy is to develop, finance, build, own and operate sustainable clean energy projects using its chosen technologies in its selected geographical areas of operation. A further operating strategy is to generate a sustainable strong cash flow for the benefit of the company and its shareholders.

Short term strategy

- the short-medium term strategy is to raise sufficient capital for the company to meet its equity needs for the current projects, but as the company's cash flow improves, the need for equity capital raising could reduce as the company will be generating a strong cash flow which could partly cover its own equity capital needs. The self-funding of equity should be balanced against the company's objective to distribute dividends to shareholders from strong cash flow performance.
- In addition, as projects mature, the company may, through its subsidiary companies, take a view to reduce its investment in a project, at a capital profit, and use the proceeds to reinvest in ongoing projects. Alternatively, the company may decide to purchase part or all of the minority shares.
- The approach of the company is to use debt up to 75% of a total project value, repayable over a defined period, normally 12 to 15 years. This debt will be raised at the project level. The debt can take the form of straight debt, mezzanine finance, lease finance or project finance in structure.

Long term strategy

The long term strategy of the company is to continue with its short term strategy and through the ownership of the plants, generate strong positive cash flow for the benefit of the Group and its shareholders and to develop 500MW planned for 2023.

4.2. Prospects

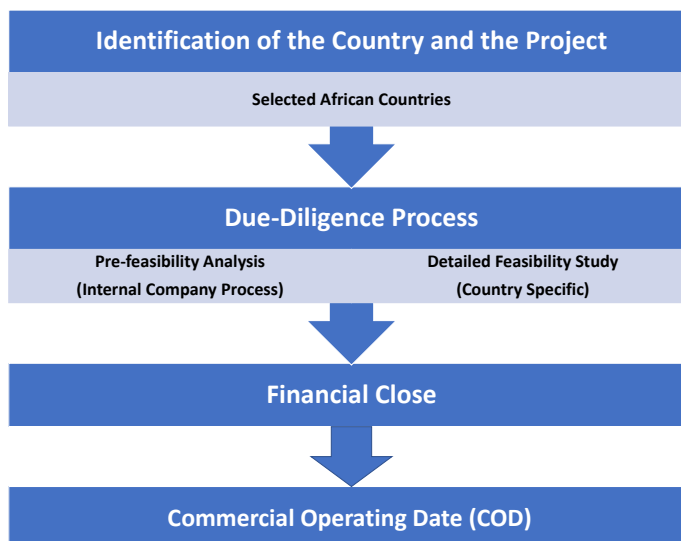
Through the implementation of its business strategy described above, the company will provide investment returns to investors through a combination of earnings and capital growth.

The company's organic growth and financial forecasts for the four years following the listing are provided in its business plan, certified by an independent financial advisor. These forecasts are conservative and are based on current projects only and not projects that are in the very early development stage.

4.3. Investment process

The board will establish the company's investment policy and objectives, and will review and approve business or investment opportunity. The board will also be responsible for evaluating whether business opportunities adhere to the company's investment policy and objectives. The company's directors will be responsible for negotiating the terms of the business opportunities.

The investment process requires a long-term strategy, which could take up to three years before the construction of a project commences. The high-level investment process is described in the diagram below:



4.4. Geographic jurisdictions for investment

Initially the Group concentrated on opportunities in South Africa and Namibia, but as these opportunities became extremely competitive and administratively complex it was decided in 2014 to explore opportunities outside of South Africa and Namibia, more particularly Kenya and Uganda initially and subsequently in Zambia, trading in hard currency.

ACES, through its subsidiary companies, mainly conducts its business in Africa. Prior to any investment strategy being formulated, a detailed investigation/due-diligence of a selected African country is performed. The due-diligence covers, inter alia, political

stability, country rating, economic policy, energy supply and requirements, energy policy, infrastructure development and needs.

The Group currently has operations / projects and partnerships formed in Namibia, South Africa, Kenya, Uganda and Zambia. However, ACES is also targeting growth in Rwanda, Ghana, Ivory Coast, Mozambique and other business friendly jurisdictions.

4.5. Investment strategy

The ACES Group's investment strategy is based on its core business in providing clean energy solutions to those countries in which the company's subsidiary companies operate, provided the following investment criteria are met.

- The ACES Group concentrates its efforts to establish renewable energy plants ranging between 3 MW and 50 MW in size;
- The ACES Group concentrates its efforts to supply energy either to Government agencies or the mining industries or other substantial consumers of energy;
- Each project predominantly generates income in USD, thereby reducing currency risk;
- The selected country meets the fundamental requirements of the investment criteria of the Group, including political stability and investment grade ratings;
- The various country-specific risks could be mitigated through the provision of long term insurance cover for political risk and economic protection;
- ACES shall manage a project for an agreed fee for the duration of the project using the experience and human resources of the company, being an experienced team with a proven track record in the renewable energy sector.

4.6. Investment criteria

The ACES Group has adopted fairly rigid investment criteria:

- The project must produce a specific minimum internal rate of return of 12% in USD terms on the equity portion calculated on the after-tax cash flow of the project;
- The net cash flow must revert to a positive after-tax cash flow after three to five years;
- The cash flow must be denominated in a strong currency – normally USD;
- Each subsidiary owning a project will distribute a dividend of 100% of the profits after tax provided it has the necessary free cash.

4.7. Investment source

The ACES Group sources its finance for a project from:

- Selected financial institutions who operate either locally or internationally. These institutions provide either the debt, project or lease finance.
- The period of debt finance is between 12 to 15 years (based on the specific merits of each project), but all models use a 12-year loan period repayable in equal monthly instalments.

- The development costs of a project, which is converted to equity, is financed from ACES' own resources.
- Any development fees earned by the Company will essentially be converted into equity in a project, thereby reducing the need to raise new equity for investment purposes.
- The equity of a project is either raised at the company's level through the issue of new shares or at project level, should the need arise. The latter approach is only adopted should the project be of such a substantial nature that the investment risk needs to be mitigated.

4.8. **Exchange rate risk mitigation**

It is the intention that all Power Purchase Agreements are written to produce USD or strong currency returns in order to mitigate against currency risk. The projects in Kenya, Uganda and Zambia are contracted in USD. All cash flows to ACES are derived in USD.

4.9. **Dividend distribution framework**

Subject to applicable laws, the company's Board will authorise and approve all dividend distributions. The dividend distribution framework is divided into two streams:

- a) A 'project company' or subsidiary company aims to distribute dividends of 100% of its free cash flow after tax; and
- b) The company aims to distribute as dividends of approximately 35% of its free cash flow after tax.

5. **COMPANY STRUCTURE**

5.1. **Company structures**

The company structure is set out in **Annexure 2**.

5.2. **Share capital**

Information regarding the issued share capital of the company, the shareholders of the company holding in excess of 5% of the shares immediately prior to the SEM listing, alterations of capital, a summary of offers of shares by the company to the public since incorporation and ancillary information is set out in **Annexure 3**.

5.3. **Constitution**

Extracts from the company's constitution are set out in **Annexure 4**.

6. EMPLOYEES

As at the last practicable date, the company does not have any full time employees, save Dave Kruger and Melvyn Antonie.

The Company is preparing employment contracts, which will comply with Mauritian Law and SEM regulations,

The project companies employ specific specialised employees.

7. COMMISSIONS PAID AND PAYABLE

- 7.1. No amount has been paid, or accrued as payable, since incorporation, as commission to any person, including commission so paid or payable to any sub-underwriter that is the holding company or a promoter or director or officer of the company, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities of the company.
- 7.2. Since incorporation, there have been no other commissions paid or are payable in respect of underwriting by the company.
- 7.3. Since incorporation, the company has not paid any material technical or secretarial fees.
- 7.4. Since incorporation, the company has not entered into any promoter's agreements and as a result no amount has been paid or is payable to any promoter.

8. MATERIAL CONTRACTS

The company has entered into loan agreements with certain of its subsidiaries and associate companies for development costs and working capital.

These loans will become payable on financial close of each project or on a specific date, whichever is the earlier, and bears interest at 2% above Libor. Salient details of the loans are contained in **Annexure 7** of these Listing Particulars. Copies of these contracts are available for inspection.

With the exception of these loan agreements, there are no other material contracts entered into (other than contracts entered into in the ordinary course of business) by the company since incorporation.

9. DIRECTORS AND RELATED PARTIES' INTEREST IN SHARES

As at the last practicable date, Melvyn Antonie and David Kruger had direct and indirect shareholdings in the company and James Friedlander had a direct shareholding in the company. For further details regarding these directors' shareholdings in ACES, reference can be made to **Annexure 1** (section 3). There were no other directors or related parties of directors (the existence of whom is known or could with reasonable diligence be ascertained by those directors) that hold shares in the company.

None of the advisors of the company have or have had an interest in any shares or options in respect of shares as at the last practicable date.

10. EXPENSES OF THE SEM LISTING

The estimated expenses relating to the listing on the SEM which have been or are expected to be incurred are set out below:

Expense	USD
SEM Listing	
Professional fees, including:-	
- Sponsor fees	28,750
- Independent Financial Advisor fees	10,925
- Legal fees	5,175
SEM application and listing fees	3 000
Total	48,390

Save for the expenses set out above, the company has not incurred any other preliminary expenses since incorporation.

SECTION TWO – DETAILS OF THE SEM LISTING

1. REASONS FOR THE LISTING ON THE SEM

- 1.1. A listing on the SEM will provide the company with capital to pursue its investment policy as set out in paragraph 4, on page 19.
- 1.2. A listing on the SEM will provide the company with a platform and acquisition currency for further expansion and diversification, as well as increase the company's public presence and profile.

2. LISTING PRICE

The initial listing price has been determined following an independent valuation of 100% of the ordinary issued shares of ACES as at 31 December 2018, carried out by BDO Corporate Finance (Pty) Ltd ("BDO"), an affiliated company of BDO South Africa Inc.

ACES has been valued by BDO on a sum of the parts ("SOTP") basis, based on the net present value of cash flows per underlying project / operation. Each project / operation has discrete cash flow projections for the life of the project / operation. ACES provides services to the projects / operations. The cash flows for ACES have been matched to the cash flows for the underlying projects / operations.

As ACES comprises a number of components in various stages of development, each component has been valued by BDO individually using specific valuation methodologies applicable to that operation, which have been aggregated to determine the SOTP valuation.

As per the BDO report, the value of a renewable energy development projects depends on several factors; the stage of completion of the project, the availability of funding available, bidding status with the relevant regulatory authority and the expected tariff.

Given that multiple projects still do not have signed PPAs, many assumptions and costs have been estimated by BDO, based on quotations and indications received from suppliers or those costs that are usual for projects of this nature.

Plant assumptions used in the model by BDO were obtained primarily from simulation reports.

For further information regarding the valuation methodologies and assumptions used by BDO, reference can be made to the BDO report which is available for inspection at the Company's registered office address.

3. ANTICIPATED APPLICATION OF THE PROCEEDS FROM THE PLACINGS

The proceeds from the initial placing and the subsequent various placings will be used to invest in line with its investment policy as set out in paragraph 4, on page 19.

During the next 12 months as the company completes the Power Purchase Agreements ("PPAs"), it will be necessary to raise additional equity at the company level to invest in each project, to bring the projects to financial close. The amount to be raised will be

determined by the cash resources of the company at the time of raising. However, it is estimated that the company will need to raise a maximum of USD35 million, on the basis that it does not have surplus cash resources following the issuing and receipt of PPAs for projects in Kenya and Uganda. As such, the proceeds from the capital raising will be invested in the existing projects and identified future projects in accordance with the commercial operating date (“COD”) mentioned in the PPAs. Reference can be made to **Annexure 8** which lists down the various projects for which the company will be required capital in the next 12 months.

4. SALIENT DATES AND TIMES FOR TARGETED INVESTORS

	Date
Closing date of the initial placing at 15:00 (Mauritius time) on or around	29 May 2019
Listing of shares on the SEM at commencement of trade on or around	31 May 2019
Accounts at banks or brokers updated in respect of dematerialised shareholders that subscribed for shares in terms of the initial placing on or around	31 May 2019

Notes

- *All times quoted are local time in Mauritius.*
- *The above dates and times are subject to amendment. Any such amendment will be published in the press in Mauritius.*

5. PARTICULARS OF THE INITIAL PLACING

- 5.1. The initial placing constitutes an offer to subscribe for up to 600,000 shares of ACES following which the shares will be listed on the SEM.
- 5.2. The placement shares offered for subscription are targeted to selected institutions, high net worth individuals and business associates, in Mauritius and globally.
- 5.3. Those selected institutions, high net worth individuals and business associates that have been invited to apply should do so by completing the attached placing application form.
- 5.4. No offer has been made to the public in respect of the initial placing. The initial placing is open to targeted investors only.

6. TERMS, CONDITIONS AND PAYMENT FOR SHARES

6.1. Participation in the initial placing and the various placings

Only targeted investors may participate in the initial placing and the various placings. The shares to be issued in terms of these placings will only be in dematerialised form. No certificated shares will be issued.

6.2. Application, payment and trading of shares to be listed on the SEM

- 6.2.1. Applicants will be required to pay for the shares *via* bank wire transfers. Shares may only be traded on the SEM in electronic form (dematerialised units). Trades will be settled on the basis of trade +

3 days on a strict 'delivery-versus-payment' basis. Final and irrevocable transfer of funds will occur through the central bank with same day funds on the settlement date. Settlement will be made through the CDS.

6.2.2. If any applicant has any doubt as to the mechanics of the CDS, the applicant should consult with his investment dealer or other appropriate advisor and is also referred to the SEM website at www.stockexchangeofmauritius.com for additional information.

6.2.3. Some of the principal features of the CDS are as follows:

6.2.3.1. electronic records of ownership replace share certificates and physical delivery of certificates;

6.2.3.2. trades executed on the SEM are settled within 3 business days; and

6.2.3.3. all investors owning dematerialised shares or wishing to trade their shares on the SEM are required to appoint an investment dealer to act on their behalf and to handle their settlement requirements.

6.3. Issue and allocation of shares

Following the initial placing and the various placings, shares will be allotted subject to the provisions of the Constitution of the company and will rank *pari passu* in all respects, including dividends, with any existing issued shares of that particular class.

The shares which are the subject of the initial placing are not subject to any conversion or redemption provisions.

6.4. Representation

6.4.1. Any person applying for or accepting the shares shall be deemed to have represented to the company that such person was in possession of a copy of these Listing Particulars at that time.

6.4.2. Any person applying for or accepting shares on behalf of another:

6.4.2.1. shall be deemed to have represented to the company that such person is duly authorised to do so and warrants that such person and the purchaser for whom such person is acting as agent is duly authorised to do so in accordance with all relevant laws;

6.4.2.2. guarantees the payment of the issue price; and

6.4.2.3. warrants that a copy of these Listing Particulars was in the possession of the purchaser for whom such person is acting as agent.

6.5. Over-subscription

The maximum number of shares that can be subscribed for and issued in terms of the initial placing is 600,000 shares. In the event of an over subscription, shares will be allocated and issued at the discretion of the directors on an

equitable basis. Factors to be considered by the board in allocating shares include promoting liquidity, tradability and an orderly after-market in the shares of the company.

6.6. Simultaneous issues

No shares of the same class are issued or to be issued simultaneously or almost simultaneously with the issue of shares for which application was made.

6.7. Anti-Money Laundering provisions

As part of its responsibility for the prevention of money laundering, the company will require a detailed verification of each shareholder's identity and the source of the payment. Depending on the circumstances of each shareholder, a detailed verification might not be required in the case of shareholders qualifying under the reduced or simplified due diligence regime based on Clause 5.5 of the Code on the Prevention of the Money Laundering & Terrorist Financing issued by the FSC in 2012.

The company reserves the right to request such information as is necessary to verify the identity of a subscriber or shareholder at any time after the application for subscription. In the event of delay or failure by the shareholder to produce any information required for verification purposes, the company may refuse to accept the application and the subscription monies relating thereto.

7. UNDERWRITING

At present, the initial placing and the various placings have not be underwritten and are not subject to an underwriting commission.

8. AUTHORITY TO ISSUE ADDITIONAL SHARES

On 31 October 2018, the shareholders of the company passed a resolution authorising the board to issue up to 35,000,000 additional shares in terms of various placings and/or consideration issues to be undertaken by the company, subject to the Mauritian Companies Act 2001, the Mauritian Securities Act 2005, the SEM Listing Rules and the company's Constitution, and that such authority given to the directors shall be valid for a period of twelve months from the date of the SEM listing, or until the company's first annual general meeting of shareholders.

9. PERCENTAGE HOLDING IN PUBLIC HANDS

It is anticipated that with new investors coming in as a result of the above mentioned placings, more than 10% of the issued share capital of the company will continue to be in public hands over the next two years.

SECTION THREE – RISK FACTORS

A number of factors may affect the result of operations, financial conditions and prospects of the company. This section describes the risk factors which are considered by the board to be material. However, these factors should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks not presently known to the board or that the board currently consider to be immaterial may also adversely impact the company's business operations. The business, growth prospects, financial condition and/or results of operations of the company could be materially adversely affected by any of these risks. The trading price of the shares could decline due to the materialisation of any of these risks and targeted investors could lose part or all of their investment.

Investing in and holding shares in the company involves a number of risks typical of those that are associated with investing in Africa and in the renewable energy space. The Board of ACES understands these inherent risks and takes all reasonable and, where possible, appropriate steps to mitigate such risks. The company has implemented a robust risk management framework, based on best practice enterprise risk management. The Board and Management intends to review the company's risk register on a regular basis and update risk movements and mitigation plans accordingly. Prior to making an investment decision in respect of ACES shares, prospective investors should carefully consider all the information set out in these Listing Particulars, including the following risk factors and consult their professional advisors.

1. CAPITAL AND INVESTMENT RISK

While Management abides by all legal and regulatory frameworks, the development of renewable projects through its subsidiary companies carries the investment risk of a loss of capital and there can be no assurance that the company will not incur losses. Returns generated from the investments of the company may not adequately compensate shareholders for the business and financial risks assumed. An investor should be aware that it may lose all or part of its investment in a particular subsidiary, which would be beyond the control of the Directors. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the company's portfolios and performance both in the short and longer terms.

2. CURRENCY RISK

The company will invest in jurisdictions other than Mauritius. The investments will be denominated predominantly in USD. For those investors whose base or home currency is not the same as the relevant foreign currency, there is a risk of currency losses if the US Dollar depreciates against the investors' base currency.

3. STOCK MARKET RISK

The company's share price/market capitalisation value is subject to market vagaries and could decrease or increase in price based on the movement in global and local stock markets.

4. LIQUIDITY RISK

The nature of the business of the Group is to invest and own a project until maturity of the contract. Although a market exists for such assets, it is dependent on the investors' appetite for a project of clean energy in a particular market. The cash flow from its projects (although in USD) tend to become positive some three to five years after final commencement date of the project. A value of a project increases significantly from the commencement date of operation, which should flow through to the share price of the Company, however the subsidiary company may not be able to sell a project if it is required to do so or to realize what it perceives to be fair value in the event of a sale.

5. LEVERAGE AND FINANCING RISK

Although it is the intention not to leverage the company above the 25% level, the underlying projects could have the effect that the company may pledge its shares held in a particular SPV in order to raise funds for investment purposes. While leverage presents opportunities for increasing the total return of the company, it has the effect of potentially increasing losses as well.

On the basis that the debt to equity ratio at the SPV project level is assumed at the market acceptable rate of 75% to 25% and the debt to equity ratio at the company level does not exceed 25%, then on a consolidated basis the group debt to equity ratio will be between 80% and 81.25%.

6. GLOBAL POLITICAL, ECONOMIC AND FINANCIAL RISK

As the Group will invest in African countries, it could be exposed to adverse political, economic, environmental, social and financial events. The value of the investments could decline as a result of economic developments such as poor or negative economic growth, poor balance of payments data, high interest rates or rising consumer price inflation. A similar situation would prevail due to political instability in certain jurisdictions.

The Group will take reasonable steps to mitigate against these risks, including political risk and other insurance cover.

7. OPERATIONAL RISK

The operations of the Group are highly dependent on the obtention of relevant authorisations and agreements (for example PPAs with utility companies) from local authorities in each respective jurisdiction and timely capital injections from investors to bring the projects to commercial operating date.

As the Group's strategy is to own and operate its clean energy operations, operational risk needs to be aggressively managed. Operational failures/outages could result in financial loss for the Group as well as significant reputational risk.

8. STAKEHOLDER RISK

As the Group's main investment focus is in African countries, its stakeholder relationships need to be carefully managed in order to create the required value for all participants in projects and to manage contracts efficiently. The company has created a detailed stakeholder risk assessment which is incorporated in its risk register. Stakeholder relations could severely impact the viability and profitability of a project, if not managed appropriately.

9. FAILURE TO INTEGRATE NEW ACQUISITIONS

Part of the company's strategy is to make selective investments into renewable energy service providers. Successful integration of these businesses is affected by factors including the ability to integrate these acquisitions and to leverage off the existing human resource capital in the company.

10. LEGAL AND REGULATORY CHANGE

Legal and/or regulatory change may also affect the company and impose potential limits on ACES' flexibility in implementing its strategy. Any change to legislation governing renewable energy plants and its customers, landlord and tenant or other laws and regulations relating to the areas in which the company's subsidiary companies operate may have an adverse effect on the company.

11. TAXATION

The levels of, and relief from, taxation may change, adversely affecting the financial prospects of the company and/or the returns to shareholders.

The Group is subject to the tax authorities within the jurisdictions it operates and taxes and tax dispensations accorded to the Group may change over time.

The nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practices in any other tax jurisdiction affecting the Group. Any change in the terms of tax treaties or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group and could affect the value of the investments held by the Group or affect its ability to achieve its investment objective and alter the post-tax returns to shareholders. The level of dividends ACES is able to pay could also be adversely affected.

12. FAILURE TO RAISE CAPITAL AND OTHER RISK FACTORS

The company is considering to raise further capital to avail itself of any investment opportunities that may arise.

Although there is always a risk that the company does not raise the capital they intended to, that would not impact on the operations of the company.

In the unlikely event whereby insufficient funds are raised, the company would either envisage using complementary bank lending to still achieve the acquisition, or would eventually decline any investment opportunities.

SECTION FOUR – STATEMENTS AND REPORTS REGULATING THE SEM LISTING

1. WORKING CAPITAL

The directors of the company, are of the opinion that the working capital available to the company will, from the date of the SEM listing, be sufficient for its present requirements, that is at least for the next 12 months.

2. LISTING AND DEALINGS ON THE SEM

- 2.1. An application was made for the listing of up to 60,441,542 ACES shares, out of which up to 26,041,542 shares will be listed on the Official Market of the SEM on or around 31 May 2019.
- 2.2. It is expected that dealings in ACES shares will commence on or around 31 May 2019.

3. SIGNIFICANT CHANGES

- 3.1. Save for the issue of further shares and the share consolidation as set out in section 3 of **Annexure 3**, there has been no significant change in the financial or trading position of ACES since 30 June 2018, the date on which the financial information of the company set out in **Annexure 9** was prepared.
- 3.2. There have been no material changes in the business of ACES since incorporation.
- 3.3. There has been no change in the trading objective of ACES since incorporation.

SECTION FIVE – ADDITIONAL MATERIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

- 1.1. The audited financial information of ACES for the period from incorporation, being 8 December 2017 to 30 June 2018 as set out in **Annexure 9**, falls under the responsibility of the board of ACES.
- 1.2. Given that ACES is a newly incorporated company, there are no other historical profit or loss information available.

2. DIVIDENDS AND DISTRIBUTIONS

- 2.1. Subject to the laws of Mauritius, the directors have absolute discretion as to the payment of any dividends, including interim dividends, on the shares. Any dividends will be paid in accordance with the laws of Mauritius. In addition, the directors may, in their discretion, declare scrip dividends in the form of a bonus issue of additional shares in lieu of a cash dividend.
- 2.2. No dividend shall be declared or paid unless the directors are satisfied or have reasonable grounds that immediately after the dividend, the value of the company's assets will exceed its liabilities and the company will be able to pay its debts as they fall due.
- 2.3. The company intends to pay dividends to shareholders. However, as the objective of the company is long-term capital growth, there may be periods in respect of which dividends may be low or not paid at all. The amount of any dividend will be at the complete discretion of the board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the board deems relevant.
- 2.4. No dividends have been declared as of the last practicable date.
- 2.5. No shares of the company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

3. ACQUISITIONS

In order to meet the objectives, develop its broader strategy and meet the requirements of the shareholders of the Group, ACES acquired ACES (UK) in exchange for shares during June 2018.

All the subsidiaries are currently developing projects, which are expected to begin sell energy on their Commercial Operating Date ("COD") as detailed below.

The COD date of VFU-CELL will only be determined in 2019 as the Zambian getfit program has been postponed to end April 2019.

As at the last practicable date, the company is the holder of the entire issued share capital of ACES (UK), which in turn holds investments as follows:

OWNER	NAME OF SUBSIDIARY	PERCENTAGE HELD	NATURE OF BUSINESS	EXPECTED COMMERCIAL OPERATING DATE OF PROJECTS
ACES (UK)	Tana Biomass Generation Limited – (registered in Kenya)	70%	Energy producing company using Solar and Biomass	Project 1 April 2020 and November 2020 Project 2 September 2020 and April 2021
ACES (UK)	Tana Solar Limited – (registered in Kenya)	70%	Energy producing company using Solar and Biomass	Dormant
ACES (UK)	Unergy Limited – (registered in Uganda)	75%	Energy producing company using Solar	Project 1 December 2020 Project 2 August 2021
ACES (UK)	VFU-CELL– (registered in Zambia)	70%	Energy producing company using Solar	Early Stage Development

It is ACES' intention to acquire the business of SACE in exchange for shares in ACES. This acquisition is expected to happen within the first year following the SEM listing. SACE has received the approval of the Exchange Authority of the South African Reserve Bank to implement the acquisition of the SACE business by ACES.

The acquisition of the business of SACE is subject to approval from the shareholders of ACES. The purchase consideration is yet to be determined and this will be based on a valuation of the business of SACE to be carried out by an independent valuer. The valuation will also determine the number of shares to be issued in relation to this acquisition. Further details relating to the acquisition, the valuation details and the amount of shares to be issued will be communicated to the market in due course.

With the exception of the above, no material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the company since incorporation or are in the process of being or are proposed to be acquired by the company (or which the company has an option to acquire).

As at the last practicable date, the company did not have any specific asset situated in Mauritius.

4. DISPOSALS

No material immovable properties, fixed assets, securities in subsidiaries and/or business undertakings have been disposed of by the company since incorporation nor are any of these to be disposed of in the first six months following the SEM listing.

5. ADVANCES, LOANS AND BORROWINGS

5.1. As at 31 March 2019, no material loans were advanced by the company except that ACES has:-

- 5.1.1. advanced USD 98,138 to Tana Biomass Generations Limited;
- 5.1.2. advanced USD 298,500 to SACE;
- 5.1.3. advanced USD 41,746 to Uenergy Limited;
- 5.1.4. advanced USD 13,008 to ACES (UK); and
- 5.1.5. advanced USD 20,000 to Robert Muchiri.

Relevant details regarding the above mentioned loans advanced by the Company to subsidiaries and associate companies are set out in **Annexure 7** of these Listing Particulars.

5.2. As at the last practicable date, no shareholders' loans were recorded in the company's statement of financial position.

5.3. As at the last practicable date, no loans have been made or security furnished by the company to or for the benefit of any director or manager or associate of any director or manager of the company.

5.4. As at the last practicable date, no charge or mortgage has been created over any assets of the company.

5.5. The ACES Group utilises various sources of finance from standard debt and equity structures to lease and project finance structures.

The company has so far issued USD40,000 worth of convertible loan stock, further details on which are provided in **Annexure 6**. The convertible loan stock are convertible into ordinary shares.

Other than the convertible loan stock, the company has no debt.

In terms of the IFRS, USD 31,510 of the USD 40,000 shall be accounted for as equity and USD 8,490 as redeemable debt.

The gearing structure is such that the debt raised in ACES will be at the project level. Although the debt will be consolidated on the company's financial statements, the actual debt raised at company level will not exceed 25% of shareholders' funds. Any interest payment accrued at company level will be for the short term loan facilities that the company may require from time to time and such amount will not exceed the 25% ceiling.

The convertible loan stock is compulsorily convertible into ACES shares on 30 June 2021.

As at the last practicable date, other than those elaborated above, there were no other outstanding convertible debt securities.

6. CORPORATE GOVERNANCE

- 6.1. The company is fully committed to complying with the National Code of Corporate Governance for Mauritius (2016).
- 6.2. In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.
- 6.3. The directors shall, accordingly, establish mechanisms and policies appropriate to the Company's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with the National Code of Corporate Governance for Mauritius (2016). The board will review these mechanisms and policies from time to time.
- 6.4. The company's corporate governance statement is set out in **Annexure 5**.

7. LITIGATION

The company is not involved in any governmental, legal or arbitration proceedings and, in so far as the directors are aware, there are no governmental, legal or arbitration proceedings pending or threatened against them, or being brought by the company since incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the company.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names are given in **Annexure 1**:

- 8.1. have considered all statements of fact and opinion in these Listing Particulars;
- 8.2. collectively and individually, accept full responsibility for the accuracy of the information given;
- 8.3. certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement false or misleading;
- 8.4. have made all reasonable enquiries in this regard; and
- 8.5. certify that, to the best of their knowledge and belief, these Listing Particulars contains all information required by law and the Listing Rules.

9. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The company does not have any capital commitments, financial lease payments and contingent liabilities as at the last practicable date, other than in the ordinary course of business.

10. MATERIAL COMMITMENTS IN RESPECT OF ACQUISITION AND ERECTION OF BUILDINGS, PLANT AND MACHINERY

As at the last practicable date, the company does not have any material commitments for the purchase and erection of buildings, plant or machinery.

11. PRINCIPAL IMMOVABLE PROPERTY LEASED OR OWNED

As at the last practicable date, the company does not own any immovable property nor has the company entered into any leases in respect of immovable property.

12. OPTIONS

As at the last practicable date, the company issued Options to various Trusts and Individuals at no cost, the details of which are set out in the table below.

In April 2018, ACES acquired the entire issued share capital of ACES (UK) whereby shareholders of ACES (UK) received shares of ACES in exchange for shares they held in ACES (UK). Similarly, various Trusts and Individuals who held Options in relation to shares of ACES (UK) were granted share Options in ACES at time of the acquisition.

The Options issued would also be a means of future capital raising for ACES.

Holder of Options	No. Of Options	No. of shares to be issued on Exercise	Exercise Price	Date of exercise of Options
Wenda International Trust	208,364	208,364	USD 0.304	Within 3 months of the SEM listing
Watanga Trust	208,364	208,264	USD 0.304	Within 3 months of the SEM listing
Topolinio Trust	250,000	250,000	USD 0.304	Within 3 months of the SEM listing
Nemesis Trust	250,000	250,000	USD 0.304	Within 3 months of the SEM listing
CT Wood	250,000	250,000	USD 0.304	Within 3 months of the SEM listing
St. Augustine College	356,695	365,695	USD 0.304	Within 3 months of the SEM listing
Total	1,523,423	1,523,423		

Note: The holder of an option can convert each option into an ordinary share provided 7 days' notice to convert is given in writing against payment for the option and provided such option is exercised within three months of the listing of the shares on the SEM, after which date they will lapse.

An undertaking was given to the principals of the various Trusts on formation of ACES to grant them options.

The options are freely tradable between the Option holders.

13. TAXATION

Mauritian taxation provisions

Under the provisions of the Mauritian Income Tax Act, ACES will benefit from deemed foreign tax credits of 80% on all its income (which effectively reduces the income tax rate to 3%) until 31 December 2018.

As from 1 January 2019, an income tax exemption of 80% (Partial Exemption Regime) shall apply to the following streams of income of Global Business Companies (including ACES):

- a) Foreign source dividend, provided that the dividend has not been allowed as a deduction in the source country
- b) Foreign source interest
- c) Profit attributable to a permanent establishment which a resident company has in a foreign country
- d) Foreign source income derived by a collective Investment Scheme (CIS), Closed End Fund, CIS Manager, CIS Administrator, Investment Advisor or Asset Manager licensed or approved by the FSC
- e) Foreign income derived by a company engaged in ship and aircraft leasing

Any other income derived by ACES shall be taxed at the rate of 15% as from 1 January 2019.

Under the Mauritius fiscal regime:

- 13.1. There are no withholding taxes on dividends distributed by a company to its shareholders and no capital gains taxes. Accordingly, the capital gains realised by a non-resident shareholder on the disposal of its shares in the company are not subject to tax in Mauritius.
- 13.2. However, the nature and amount of tax payable by the company is dependent on the availability of relief under the various tax treaties in the jurisdictions in which the board chooses to invest from time to time.
- 13.3. Royalty paid to a non-resident by the company out of its foreign source income is tax exempt.

14. DOCUMENTATION AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the company's registered office during business hours from the date of issue of these Listing Particulars for a minimum period of 14 calendar days:

- 14.1. the signed Listing Particulars;
- 14.2. the updated business plan prepared by the company and certified by the independent financial advisor;
- 14.3. the Constitution of the company;
- 14.4. the audited financial statements of ACES for the period ended 30 June 2018;
- 14.5. the independent valuation report dated 24 April 2019, issued by BDO Corporate Finance (Pty) Ltd, an affiliated company of BDO South Africa Inc.; and
- 14.6. the loan agreements between the company and SACE, Tana Biomass Generation Limited, Uenergy Limited, ACES (UK) and Robert Muchiri.

SIGNED AT EBENE, MAURITIUS ON BEHALF OF AFRICA CLEAN ENERGY SOLUTIONS LTD

Melvyn Antonie

who warrants that he is duly authorised thereto by resolution of the board of directors of ACES.

Annexure 1

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS

1. FULL NAMES, NATIONALITIES, AGES, BUSINESS ADDRESSES, ROLES, QUALIFICATIONS, OCCUPATIONS AND EXPERIENCE OF EACH DIRECTOR

The full names (including former names, if applicable), ages, nationalities, qualifications, roles, business addresses, occupations and experience of each of the directors of the company and the proposed directors of the company and executive management are set out below:

Directors of ACES					
Director name, age, nationality and qualification	Role	Business address		Occupation and experience (profile)	
Johan David Kruger (52); South African Entrepreneur	Chief Executive Officer	101	Oxford Road Saxonwold Johannesburg 2132 South Africa	Dave joined the Board of SACE on formation in 2007 and became the Chief Executive Officer of the Group in 2011, having previously managed a successful property development company in South Africa. Dave is responsible for the negotiations of the Group business partners in Africa and together with the African business partners are involved with negotiations with government and mining houses in Namibia, Kenya, Uganda and South Africa for the off-take of the energy from the power plant. Dave is actively involved with fund raising for the Group. With more than 10 years' experience in the renewable energy space, Dave has concluded numerous developments in projects in Africa.	
Melvyn Joseph Antonie (74); South African; BA, LLB (Wits), Diploma in Banking	Chief Operation Officer	101	Oxford Road Saxonwold Johannesburg 2132	Melvyn holds a BA LLB (Wits) and is an admitted attorney. He also obtained a Diploma in Banking from the	

Directors of ACES

Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
		South Africa	Manchester Business School. He joined the Board on formation of SACE in 2007 as an Executive Director. In 1973, he joined Barclays National Merchant Bank where he became senior general manager, responsible for mergers, acquisitions, listings, bank syndicated positions and project financing. He became a director of Hill Samuel SA in 1986 and was responsible for the Corporate Finance Department. He formed The Janus Corporation as a shareholder and director in 1987 and between 1996 and 1998, as part of a joint venture, was a director of SG Corporate Finance (SA) (Pty) Limited.
Gaetan Siew (65); Mauritian / French; Architecte dplg	Independent Non-Executive Director and Chairman	45, Saint Georges Street - 11324 Port-Louis, Mauritius	Past President of the International Union of Architects, and Past Secretary General of the African Union of Architects. Gaetan Siew is an avid world traveller, experiencing over 500 cities across 105 countries including most of Africa. For his contributions to the Architectural and Urban world, he was awarded several honorary membership and fellowships, and elevated to the rank of Grand Officer of the Order of the Star and Key of the Indian Ocean by the Government of Mauritius, and elevated to the ranks of Chevalier de l'Ordre National du Mérite,

Directors of ACES				
Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)	
				and de l'Ordre des Arts et des Lettres by the French Republic.
				Past Board Director of Futures Cities UK since July 2013, Past Chairperson of State Land Development Company (Smart Mauritius), Past Chairman of Construction Industry Board, and current chairperson of the Port Louis Development Initiative (PLDI) and Special Envoy for UN Habitat, Mr Siew advocates for sustainable approaches towards urbanism aimed to socially and economically regenerate urban fabrics.
James Stuart Friedlander American; BA (Wisconsin) JD (Harvard)	Independent Non-Executive Director	16 Devonshire Close, London W1G 7BB, UK	Jim is an international lawyer. After receiving his J.D. from Harvard Law School in 1966, he lived in Malawi for 5 years and Kenya for 8 years. He has worked in 25 countries in Africa, as a World Bank lawyer, as a private banker at Citibank, and as a private lawyer for large and small law firms. Over the years, Jim has been on the board of NMB Bank in Zimbabwe and a Canadian mining company listed on the TSE. Jim has advised Governments in Africa and in Eastern Europe for 33 years on their investment laws as a consultant to the World Bank/IFC. Jim is currently living in London, UK. He is a member of the ENS Tanzania law firm and	

Directors of ACES
**Director name, age,
nationality and
qualification**
Role
**Business
address**
**Occupation and
experience (profile)**

a partner in a law firm in Moscow, Russia (where he lived for 8 years).

Smitha Algoo-Bissounauth (33);
Mauritian;
B.Sc (Hons), ICSA,
MBA

Non-
Executive
Director

c/o
Intercontinental
Trust Limited,
Level 3,
Alexander
House
35 Cybercity,
Ebene, 72201
Mauritius

Ms Bissonauth joined the Corporate Services Department of Intercontinental Trust Limited ("ITL") in 2006 and she is currently a Senior Manager in the Listing Department.

Prior to her appointment as Manager in the Listing Department, she headed various teams in the Corporate Services Department and has been overseeing the operations division such as incorporation of companies, advising on company structures and regulatory matters and corporate administration of global business companies. She currently sits as director on the boards of several global business companies that are under the administration of ITL.

Ms Bissonauth has been actively participating in various internal projects at ITL including internal staff training. She has also acquired technical skills to manage people, service clients and attends training, workshops and conferences in company secretarial matters in Anti Money Laundering (AML)/Combatting the Financing of Terrorism Laws (CFT) laws and leadership. Ms Bissonauth

Directors of ACES
**Director name, age,
nationality and
qualification**
Role
**Business
address**
**Occupation
and
experience (profile)**

graduated from the University of Mauritius with a B.Sc (Hons) in Accounting and Finance and is an Associate Member of the Institute of Chartered Secretaries and Administrators, UK since 2013.

She also completed her MBA in Innovation and Leadership with distinction, from the University of Mauritius in partnership Ducere Business School.

**Toorisha Nakey-
Kurnauth** (31);
Mauritius citizen;
B.Sc (Hons)

 Non-
Executive
Director

 c/o
Intercontinental
Trust Limited,
Level 3,
Alexander
House
35 Cybercity,
Ebene, 72201
Mauritius

Toorisha joined ITL in the year 2008 and is currently Manager in the Listing Division of ITL. She oversees the operation of the listing team and advises clients on incorporation of companies, compliance with ongoing obligations in relation to regulatory matters and is the direct point of contact for clients.

She also worked in the Fund administration department for five years where she gained extensive experience by administering fund structures. She advised clients on the fund structures, reviewed fund documents and was also involved in fund accounting.

Over the years Toorisha has gained experience to manage people and to service clients. She has attended several seminars, conferences and workshops in relation to leadership, presentation skills, company secretarial matters and compliance

Directors of ACES				
Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)	and
			with ongoing obligations.	SEM
			Toorisha graduated from the University of Mauritius with a B.Sc (Hons) in Finance with Law and is currently undertaking the final papers for the Association of Chartered Certified Accountants (ACCA).	

The table below lists the companies and partnerships of which each director of the company is currently a director or partner as well as the companies and partnerships of which each director of the company was a director or partner over the five years preceding these Listing Particulars:

Directors of ACES		
Director	Directorships currently held	Directorships held in past 5 years
Johan David Kruger	Africa Clean Energy Solutions Limited; Africa Clean Energy Solutions (ACES) Limited; South Africa Clean Energy Solutions Limited; SACE Projects (Pty) Limited; SACE Finance (Pty) Limited; Africa Renewable Clean Power (Pty) Limited; Tana Biomass Generation Limited; Tana Solar (Pty) Limited; New Heights Pty Limited VFU Clean Energy Limited Unergy Limited New Heights Seychelles Limited	Africa Clean Energy Solutions Limited; Africa Clean Energy Solutions (ACES) Limited; South Africa Clean Energy Solutions Limited; SACE Projects (Pty) Limited; SACE Finance (Pty) Limited; Africa Renewable Clean Power (Pty) Limited; Tana Biomass Generation Limited; Tana Solar (Pty) Limited; New Heights Pty Limited VFU Clean Energy Limited Unergy Limited New Heights Seychelles Limited
Melvyn Joseph Antonie	Africa Clean Energy Solutions Limited; Africa Clean Energy Solutions (ACES) Limited; South Africa Clean Energy Solutions Limited; SACE Projects (Pty) Limited; SACE Finance (Pty) Limited; Africa Renewable Clean Power (Pty) Limited; Tana Biomass Generation Limited;	Africa Clean Energy Solutions Limited; Africa Clean Energy Solutions (ACES) Limited; South Africa Clean Energy Solutions Limited; SACE Projects (Pty) Limited; SACE Finance (Pty) Limited; Africa Renewable

Director	Basic salary	Director's fees	Other fees	Performance bonus	Expense allowance	Other material benefits	Pension scheme contributions	Commissions	Shares or share options or similar rights	Share of profit	Total
Total	131,850	18,000	-	-	19,500	-	-	-	-	-	169,350

- 2.2. As the company was only incorporated on 8 December 2017, no fees have been paid to the directors of the company as at the last practicable date.
- 2.3. Non-executive directors of ACES will receive remuneration, as agreed by the Board, for carrying out their fiduciary duties as directors.
- 2.4. Smitha Algoo-Bissonauth and Toorisha Nakey Kurnauth are appointees of ITL, the Company secretary, and they will not be paid any directors fees.

3. DIRECTORS' INTERESTS IN SECURITIES

The table below sets out the direct and indirect interests of the directors of the company, including any directors who may have resigned during the last 18 months, in ACES's issued share capital as at the last practicable date:

Director	Direct number of Shares held	Indirect number of Shares held	Total number of Shares held	Total % of Shares in issue held
Johan David Kruger	5	5,721,996	5,722,001	22.49
Melvyn Joseph Antonie	5	5,360,031	5,360,036	21.07
James Stuart Friedlander	37,505	-	37,505	0.15
Gaetan Siew	-	-	-	-
Smitha Algoo-Bissoonauth	-	-	-	-
Toorisha Nakey-Kurnauth	-	-	-	-
Total	37,515	11,082,027	11,119,542	43.71

4. DIRECTORS' INTERESTS IN TRANSACTIONS

- 4.1. The directors of the company had no beneficial interest in transactions entered into by the company:
- during the current financial year; or
 - during the two preceding financial years; or
 - during any earlier financial year and which may still be outstanding.
- 4.2. No amount has been paid to any director (or to any company in which he is interested (whether directly or indirectly) or of which he is a director or to any

partnership, syndicate or other association of which he is a member) in the three years preceding the date of these Listing Particulars (whether in cash or securities or otherwise) by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him (or by the associate identity) in connection with the promotion or formation of the company.

5. DIRECTORS' INTERESTS IN PROPERTY ACQUIRED OR TO BE ACQUIRED

None of the directors have had any material beneficial interest, direct or indirect, in the promotion of the company or in any property acquired or proposed to be acquired by the company out of the proceeds in the three years preceding the date of issue of these Listing Particulars and no amount has been paid during this period, or is proposed to be paid to any director.

6. TERMS OF OFFICE

Save for Dave Kruger and Melvyn Antonie, none of the directors are expected to enter into a service contract with the company and accordingly the appointment of the directors is indefinite but remains subject to all applicable laws and the provisions of the company's Constitution.

7. CONSTITUTION

The relevant extracts of the Constitution of the company providing for the appointment, qualification, retirement, remuneration and borrowing powers of the directors and the powers enabling a director to vote on a proposal, arrangement or contract in which he is materially interested are set out in **Annexure 4**.

8. BORROWING POWERS

As set out more fully in **Annexure 4**, the borrowing powers of the company exercisable by the directors are unlimited and, accordingly, have not been exceeded since incorporation.

9. SUMMARY OF EXISTING OR PROPOSED CONTRACTS (WHETHER WRITTEN OR ORAL) RELATING TO DIRECTORS' AND MANAGERIAL REMUNERATION, RESTRAINT PAYMENTS, ROYALTIES AND SECRETARIAL AND TECHNICAL FEES

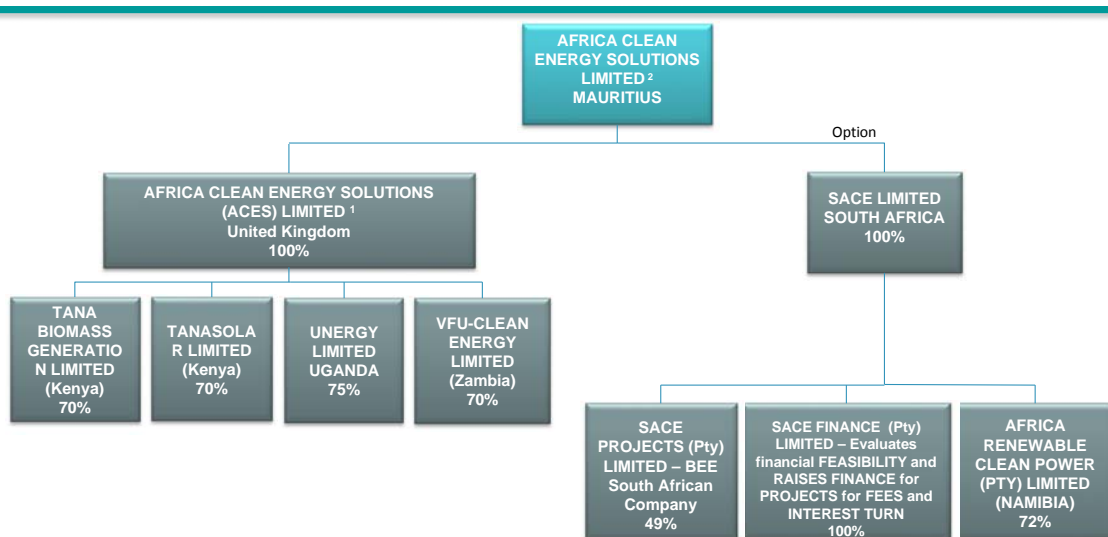
9.1. Save for ITL's appointment as company secretary, and the appointment of Mrs. Smitha Algoo-Bissonauth and Mrs. Toorisha Nakey-Kurnauth to the Board, and save as otherwise disclosed in this Annexure, there are no existing or proposed contracts (whether written or oral) relating to directors or managerial remuneration, restraint payments, royalties or secretarial and technical fees.

9.2. There were no other contracts or arrangements in which the directors were materially interested and which were significant in relation to the business of the company.

COMPANY STRUCTURE

The proposed structure of ACES is set out below:

ACES - CORPORATE STRUCTURE



1. Incorporated in England and Wales under Company Registration number: 10121592.
2. Incorporated in Mauritius – Registration number: 152282 C1/GBL



NOTES:-

- ACES (UK) is currently 100% held by ACES. ACES (UK) is a purely investment holding company.
- ACES will acquire the entire business of SACE after the SEM listing.
- Tana Biomass is developing two hybrid plants each comprising a 10 MW Solar Projects and a 10 MW Biogas Projects in Kenya.
- Tana Solar is currently dormant but will be used as a Special Purpose Vehicle for future developments.
- Unergy is developing two 20 MW biogas Projects in Uganda.
- VFU-Cell is in the very early stages of either developing or partnering in the establishment of a 15 MW Solar plant in Zambia.

Annexure 3

SHARE CAPITAL AND SHAREHOLDING

1. MAJOR AND CONTROLLING SHAREHOLDERS

As at the date of these Listing Particulars, the following shareholders held 5% or more of the issued shares in ACES:

Name of Shareholder	Number of shares held	Percentage of issued share capital
Topolino Trust	5,721,996	22.49
Nemesis Trust	5,360,031	21.07
Wenda Trust	4,192,208	16.48
Cum Laude Trust	1,295,833	5.09
Klaus Muller	1,575,000	6.19
Total	18,145,068	71.32

2. SHARES ISSUED OTHERWISE THAN FOR CASH

No shares have been issued or agreed to be issued otherwise than for cash by the company since incorporation save to Bishopsgate Consultancy (Pty) Limited, and Messrs. Friedlander and Streak. These parties provided professional services to the company and received shares as consideration as follows:

Name of Service Provider	Type of Service	Amount of fees	Shares Issued
Bishopsgate Consultancy (Pty) Limited	Consultancy	USD 30,000	25,000
James Friedlander	Legal	USD 30,000	25,000
Milton Streak	Contribution to Business Plan	USD 22,500	18,750

3. COMPANY'S SHARE CAPITAL

3.1. The issued share capital of the company, immediately before the closure of the initial placing is as follows:

Share Capital	USD
<i>Issued shares</i>	
25,441,542 ordinary no par value shares	281,475
Total	281,475

- 3.2. Assuming that all of the placement shares will be subscribed for, the issued share capital of the company after the initial placing will be as follows:

Share Capital	USD
<i>Issued shares</i>	
26,041,542 ordinary no par value shares	881,475
Total	881,475

- 3.3. The company does not hold any shares in treasury.
- 3.4. The shares of the company are under the control of the directors of the company. In terms of paragraph 4.1 of the Constitution, the members in general meeting may authorise the board to issue shares and/or grant options at any time to any person.

On 31 October 2018, the shareholders of the company passed a resolution authorising the board to issue up to 35,000,000 additional shares in terms of various placings and/or consideration issues undertaken by the company, subject to the Mauritian Companies Act 2001, the Mauritian Securities Act 2005, the SEM Listing Rules and the company's Constitution, and that such authority given to the directors shall be valid for a period of twelve months from the date of the SEM listing, or until the company's first annual general meeting of shareholders.

- 3.5. The capital of the company consists of ordinary no par value shares and having attached to them the following rights: -
- (i) The right to one vote on a poll at a meeting of the company on any resolution;
 - (ii) The right to an equal share in dividends authorised by the board; and
 - (iii) The right to an equal share any the distribution.
- 3.6. All the shares to be issued in terms of the Listing Particulars will be of the same class and will rank *pari passu* with all other issued shares of the company.
- 3.7. In terms of Mauritian law, the company does not have authorised share capital.

4. ALTERATIONS TO SHARE CAPITAL OF THE COMPANY

- 4.1. The Company was incorporated with a share capital of 334,811,706 shares issued at USD 0.00001 per share.

During the period from date of incorporation to 31 October 2018, the Company issued 152,669,142 new shares.

At the general meeting held on 31 October 2018, the shareholders of the Company approved the consolidation of the shares on a 1 for 20 basis resulting in the issued shares being 24,374,042.

During the period 1 November 2018 to 13 November 2018, the Company issued 1,067,500 new shares.

As at the date of this document, the total number of shares in issue is 25,441,542.

The company's issued ordinary shares are expected to list on the Official Market of the SEM on or around 31 May 2019.

Prior to the initial date of listing on the SEM, ACES will place and issue up to 600,000 additional ordinary shares to targeted investors at an issue price of USD 1.00 per share pursuant to the initial placing.

- 4.2. As at the last practicable date, there have been no further alterations to the company's share capital. Accordingly:
- 4.2.1. there have been no issues or offers of securities of the company since the last practicable date;
 - 4.2.2. save for the above statement there have been no consolidation or subdivision of shares in the company since incorporation;
 - 4.2.3. no offer for shares in the company was made to the public since incorporation;
 - 4.2.4. no share repurchases were undertaken by the company since incorporation; and
 - 4.2.5. there has been no amount payable by way of premium on any share issued by the company since incorporation.

5. FOUNDERS AND MANAGEMENT SHARES

Save for the details set out in paragraph 4 of **Annexure 1**:

- 5.1. There are no deferred shares.
- 5.2. Save as referred to above there are no shares held as at the last practicable date by founders or the directors of the company.
- 5.3. As ACES does not own any physical property nor has entered into agreement to acquire any physical property as at the last practicable date, the directors of ACES and the promoter do not have any material interest in any acquisition or disposal of any properties.

6. OPTIONS AND PREFERENTIAL RIGHTS

- 6.1. The Company has issued US\$40,000 worth of convertible loan stock units of USD 0.05 cents per loan stock. Besides these loan stock units, there are no preferential conversion, redemption and/or exchange rights in respect of any of the shares or other securities of ACES.
- 6.2. Set out in **Annexure 6** are the terms and conditions of the Convertible Loan Stock.
- 6.3. The company intends to adopt a share option scheme shortly after the SEM listing. The purpose of the scheme will be:
 - 6.3.1. to provide all employees an opportunity to subscribe for shares in the company, thereby increasing their commitment and involvement in the Group; and

6.3.2. to incentivise all employees of the Group.

6.4. Besides the information set out above there are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any shares in the company.

7. FRACTIONS

No fractions of shares have been issued.

EXTRACTS FROM THE CONSTITUTION OF THE COMPANY

The following sections use the definitions as set out in the Constitution of the Company.

Extracts from the Constitution of the Company providing inter alia for the appointment, qualification, remuneration and borrowing powers, interests of Directors and dividends are set out below.

For a full appreciation of the provisions of the Constitution, shareholders are referred to the text of the Constitution, which is available for inspection, as provided for in section 5, paragraph 13 of these Listing Particulars.

“4. CAPITAL

- 4.1 Subject to the provisions of the Listing Rules of the Stock Exchange of Mauritius Ltd (“**SEM Rules**”), the requirements of any other exchange on which the company is listed and pursuant to Section 52 of the Mauritian Companies Act, 2001 (Act 15 of 2001) as amended (“**Companies Act 2001**”), the board may only issue unissued shares where shares of that particular class are listed and/or grant options if such shares have first been offered to existing Members in proportion to their shareholding on such terms and in accordance with such procedures as the board may determine, unless such shares are issued for the acquisition of assets by the company. Notwithstanding the foregoing, Members in a meeting of Members may authorise the directors to issue unissued securities, and/or grant options to subscribe for unissued securities, as the directors in their discretion deem fit, provided that the corporate action(s) to which any such issue or grant of options relates, has/have to the extent required been approved by the Stock Exchange of Mauritius Ltd (“**SEM**”).
- 4.2 No shares or any interest or right to the shares shall be issued or granted by the company to bearer.
- 4.3 The company may by way of special resolution from time to time and in accordance with the Companies Act 2001:
- 4.3.1. create any class of shares;
 - 4.3.2. increase or decrease the number of shares of any class of the company’s shares;
 - 4.3.3. consolidate and reduce the number of the company’s shares of any class;
 - 4.3.4. subdivide its shares of any class by increasing the number of its issued shares of that class without an increase of its capital;
 - 4.3.5. change the name of the company;
 - 4.3.6. convert one class of shares into one or more other classes, save where a right of conversion attaches to the class of shares created; or

- 4.3.7. subject to paragraph 14.6, vary any preference rights, limitations or other terms attaching to any class of shares.
- 4.4 Where the company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares.
- 4.5 Where the company issues shares with different voting rights, the company shall designate each class of shares, other than those with the most favorable voting rights, by inserting the words “restricted voting” or “limited voting”.
- 4.6 The shares, shall unless otherwise stated, be fully paid up when issued and rank *pari passu* in all respects as amongst themselves including as to participation in the profits of the company.
- 4.7 The capital of the company shall consist of ordinary no par value shares and having attached to them the following rights: -
- (i) The right to one vote on a poll at a meeting of the company on any resolution;
 - (ii) The right to an equal share in dividends authorised by the board;
 - (iii) The right to an equal share in the distribution of the surplus assets of the company.
- 4.8 After the first allotment of shares by the directors, any further shares proposed to be issued wholly for cash consideration (which shall include a release of a liability of the company for a liquidated sum or an undertaking to pay cash to the company at a further date) shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Members by special resolution and the board by resolution otherwise direct.

5. ALTERATION OF CONSTITUTION

The company may in accordance with the Companies Act 2001 alter its Constitution or any provision therein by special resolution of the Members provided that prior written approval has been sought and obtained from the SEM for such alteration.

6. SPECIAL RESOLUTIONS

A special resolution must be passed by a majority of not less than 75% (seventy-five percent) of the votes cast by all Members entitled to do so, present in person or represented by proxy, at a general meeting of which notice of at least 14 business days specifying the intention to propose the resolution has been duly given.

7. TYPE OF COMPANY

The company is a public company limited by shares.

8. REGISTERED OFFICE

The Registered Office of the company will be at c/o Intercontinental Trust Ltd, Level 3, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius or in such other place as the board of directors of the company (the “**Board**”) may from time to time determine.

9. BALANCE SHEET DATE

The Balance Sheet Date shall be determined by the board of directors. A copy of the annual report must be distributed to Members at least 14 days before the date of the Annual General Meeting at which they will be considered. (For the purpose of this Constitution, “**Annual General Meeting**” shall mean the annual meeting of the Members in accordance with Section 115 of the Companies Act 2001 and “**Special Meeting**” mean a meeting of Members in accordance with Section 116 of the Companies Act 2001 and “**meeting of Members**” shall mean either an Annual General Meeting or a Special Meeting).

The company shall deliver a copy of its annual report to the Registrar of Companies for registration at the same time as it delivers its financial statements to the Registrar of Companies.

10. TRANSFER OF SHARES

10.1 Subject to the provisions of this Constitution, where shares are listed on the SEM or on another securities exchange, the shares of the company shall be freely transferable and free from any lien. Each Member may transfer, without payment of any other charges, save Brokerage Fees payable in relation to such transfer, all or any of his shares which have been fully paid.

10.2 For so long as the company shall be admitted for listing on the SEM, a Member wishing to transfer its shares, shall where physical Share Certificates have been issued to that Member, cause its shares to be dematerialised.

10.3 For so long as the company shall be admitted for listing on the SEM, all shares transferred must be in the dematerialized form and must be conducted through the Automatic Trading System in accordance with the Trading Procedures.

10.4 In respect of shares held in certificated form and where such shares have not been listed on the SEM, every instrument of transfer shall be executed by or on behalf of the transferor. Every instrument of transfer shall be left at the registered office of the company (or such other place as the board may from time to time determine) at which it is presented for registration accompanied by the certificate of the shares so transferred, and/or such other evidence as the company may require, to prove the title of the transferor of his rights to transfer the shares. All authorities to sign instruments of transfer granted by Members for the purpose of transferring shares which may be lodged, produced or exhibited with or to the company at its registered office (or such other place as the Board may from time to time determine) shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's registered office (or such other place as the board may from time to time determine) at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the company shall be entitled to give effect to any instrument signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notices. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

10.5 Transmission of shares

10.5.1 If title to a share passes to a Transmittee, the company may only recognise the Transmittee as having any title to that share.

10.5.2 A Transmittee who produces such evidence of entitlement to shares as the directors may properly require –

10.5.2.1 may, subject to the provisions of this Constitution choose either to become the holder of those shares or to have them transferred to another person; and

10.5.2.2 subject to the provisions of this Constitution, and pending any transfer of the shares to another person, has the same rights as the holder had.

10.5.3 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

10.6 The company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons. The company shall not be bound to issue more than one certificate therefor (where applicable), and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

10.7 The company shall not take any action to sell the shares of a member who is untraceable unless: -

(i) during a period of 12 years, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and

(ii) on expiry of the 12 years, the company gives notice of its intention to sell the shares by way of an advertisement published in at least two widely circulated daily newspapers in Mauritius and notifies the SEM of such intention.

11. MEETINGS OF MEMBERS

11.1 Meetings and resolutions in lieu of meetings

11.1.1 The board may convene meetings of the Members of the company at such time and in such manner and places within the Republic of Mauritius as the directors consider necessary or desirable.

11.1.2 The board shall in each year convene an Annual General Meeting of the Members of the company, and such Annual General Meeting shall be held;

11.1.2.1 not more than once in each year;

11.1.2.2 not later than six months after the Balance Sheet Date of the company; and

11.1.2.3 not later than fifteen months after the previous Annual General Meeting.

- 11.1.3 Subject to the provisions of paragraph 11.3.3, a resolution in writing signed by Members who would be entitled to vote on that resolution at a meeting of Members and who together hold not less than 75% of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those Members.
- 11.1.4 For the purposes of paragraph 11.1.3, any resolution may consist of one or more similar documents in similar form (including letters, electronic mail, or other similar means of communications) each signed or assented to by or on behalf of one or more of the Members specified in paragraph 11.1.3.

11.2 Procedure at Meetings of Members

11.2.1 Chairperson

- 11.2.1.1 Where the directors have elected a chairperson of the board, and the chairperson of the board is present at a meeting of Members, he shall chair the meeting.
- 11.2.1.2 Where no chairperson of the board has been elected or if, at any meeting of Members, the chairperson of the board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect one of their numbers to be chairperson of the meeting.
- 11.2.1.3 Where no director is willing to act as chairperson, or where no director is present within 15 minutes of the time appointed for holding the meeting, the Members present may choose one of their numbers to be chairperson of the meeting.

11.2.2 Notice of Meetings

- 11.2.2.1 Written notice of the time and place of a meeting of Members shall be sent to every Member entitled to receive notice of the meeting and to every director, secretary and auditor of the company not less than 14 business days before the scheduled date of the meeting. The giving of notice to Members whose registered address is outside Mauritius shall not be prohibited.
- 11.2.2.2 The notice shall state:
- 11.2.2.2.1 the nature of the business to be transacted at the meeting in sufficient detail to enable a Member to form a reasoned judgment in relation to it; and
- 11.2.2.2.2 the text of any Special Resolution to be submitted to the meeting.
- 11.2.2.3 Any irregularity in a notice of a meeting shall be waived where all the Members entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or where all such Members agree in writing to the waiver.

11.2.2.4 Any accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, a Member shall not invalidate the proceedings at that meeting.

11.2.2.5 The chairperson may, or where directed by the meeting, shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, if the board so resolves.

11.2.2.6 When a meeting of Members is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

11.2.2.7 Notwithstanding anything to the contrary contained herein, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

11.3 Methods of holding meetings

A meeting of Members may be held either:

11.3.1 by a number of Members who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or

11.3.2 by means of audio, or audio and visual, communication by which all Members participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

11.3.3 To the extent required, a meeting called for in terms of the SEM Rules must be held in person.

11.4 Quorum

11.4.1 No business shall be transacted at any meeting of Members and at an adjourned or postponed meeting unless a quorum is present. The presence of three (3) Members or their proxies who are between them able to exercise, in aggregate, at least 25% of the votes to be cast on the business to be transacted by the meeting, shall constitute a quorum.

11.4.2 Where a quorum is not present within 30 minutes after the time appointed for the meeting:

11.4.2.1 in the case of a meeting called under section 118(1)(b) of the Companies Act 2001 the meeting shall be dissolved;

11.4.2.2 in the case of any other meeting, the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the directors may appoint; and

11.4.2.3 where, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the Members or their proxies present shall be quorum.

11.4.3 Notwithstanding anything to the contrary contained herein, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting provided that an announcement must be released on SENS and the SEM's website which announcement must address the following:

11.4.3.1 the reason for the adjourned/postponed meeting;

11.4.3.2 the location and time for the adjourned/postponed meeting; and

11.4.3.3 the Members present in person or by proxy at the adjourned/postponed meeting will be deemed to constitute a quorum.

11.5 Voting

11.5.1 Where a meeting of Members is held in terms of paragraph 11.3.1 unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:

11.5.1.1 voting by voice; or

11.5.1.2 voting by show of hands.

11.5.2 Where a meeting of Members is held under paragraph 11.3.2, unless a poll is demanded, voting at the meeting shall be by the Members signifying individually their assent or dissent by voice.

11.5.3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority shall be conclusive evidence of that fact unless a poll is demanded in accordance with paragraph 11.5.4.

11.5.4 At a meeting of Members, a poll may be demanded by:

11.5.4.1 not less than five Members having the right to vote at the meeting;

11.5.4.2 a Member or Members representing not less than 10 percent of the total voting rights of all Members having the right to vote at the meeting;

11.5.4.3 by a Member or Members holding shares in the company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right; or

11.5.4.4 the chairperson of the meeting.

11.5.5 A poll may be demanded either before or after the vote is taken on a resolution

11.5.6 Where a poll is taken, votes shall be counted according to the votes attached to the shares of each Member present in person or by proxy and voting.

11.5.7 The chairperson of Members' meeting shall not be entitled to a casting vote.

11.5.8 For the purposes of paragraph 11.5:

11.5.8.1 the instrument appointing a proxy to vote at a meeting of the company shall confer authority to demand or join in demanding a poll and a demand by a person as proxy for a Member shall have the same effect as a demand by the Member;

11.5.8.2 subject to any rights or restrictions for the time being attached to any class of shares, every Member present in person or by proxy and voting by voice or by show of hands and every Member voting by postal vote (where this is permitted) shall have one vote.

11.6 Proxies

11.6.1 A Member may exercise the right to vote either by being present in person or by proxy.

11.6.2 A proxy for a Member may attend and be heard at a meeting of Member as if the proxy were the Member.

11.6.3 A proxy shall be appointed by notice in writing signed by the Member and the notice shall state whether the appointment is for a particular meeting or a specified term.

11.6.4 No proxy shall be effective in relation to a meeting unless:

11.6.4.1 a copy of the notice of appointment is produced before the start of the meeting;

11.6.4.2 any power of attorney or other authority under which the proxy is signed or a notarially certified copy shall also be produced;

11.6.4.3 a proxy form shall be sent with each notice calling a meeting of the company;

11.6.4.4 the instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing or in the case of a corporation under the hand of an officer or of an agent duly authorised;

11.6.4.5 the instrument appointing a proxy shall be in the following form:

I/we of being Members of the able named company hereby appoint.....or failing him/her, of as my/our proxy to vote for me/us at the meeting of the company to be held on and at any adjournment of the meeting.

Signed this day of.....

11.6.5 The instrument appointing a proxy shall not be effective unless it is produced at least 24 hours before the start of a meeting.

11.7 Minutes

- 11.7.1 The board shall ensure that minutes are kept of all proceedings at meetings of Members.
- 11.7.2 Minutes which have been signed as being correct by the chairperson of the meeting are prima facie evidence of the proceedings.

11.8 Members Proposals

- 11.8.1 A Member may give written notice to the board of a matter the Member proposes to raise for discussion or resolution at the next meeting of Members at which the Member is entitled to vote.
- 11.8.2 Where the notice is received by the board not less than 28 days before the last day on which notice of the relevant meeting of Members is required to be given by the board, the board shall, at the expense of the company, give notice of the Members' proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 11.8.3 Where the notice is received by the board not less than 7 days and not more than 28 days before the last day on which notice of the relevant meeting of Members is required to be given by the board, the board shall, at the expense of the company, give notice of the Members' proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 11.8.4 Where the notice is received by the board less than 7 days before the last day on which notice of the relevant meeting of Members is required to be given by the board, the board may, where practicable, and at the expense of the Member, give notice of the Members' proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 11.8.5 Where the directors intend that Members may vote on the proposal by proxy vote, they shall give the proposing Members the right to include in or with the notice given by the board a statement of not more than 1000 words prepared by the proposing Members in support of the proposal, together with the name and address of the proposing Members.
- 11.8.6 The board shall not be required to include in or with the notice given by the board a statement prepared by a Member who the directors consider to be defamatory, frivolous, or vexatious.
- 11.8.7 Where the costs of giving notice of the Member's proposal and the text of any proposed resolution are required to be met by the proposing Member, the proposing Member shall, on notice by the board, deposit with the company or tender to the company a sum sufficient to meet those costs.

11.9 Corporations may act by representative

A body corporate which is a Member may appoint a representative to attend a meeting of Members on its behalf in the same manner as that in which it could appoint a proxy.

11.10 Votes of joint holders

Where two or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter shall be accepted to the exclusion of the votes of the other joint holders.

11.11 Postal Votes

- 11.11.1 A Member may exercise the right to vote at a meeting by casting a postal vote in accordance with this paragraph 11.11.
- 11.11.2 The notice of a meeting at which Members are entitled to cast a postal vote shall state the name of the person authorised by the Board to receive and count postal votes at that meeting.
- 11.11.3 Where no person has been authorised to receive and count postal votes at a meeting, or where no person is named as being so authorised in the notice of the meeting, every director shall be deemed to be so authorised.
- 11.11.4 (i) A Member may cast a postal vote on all or any of the matters to be voted on at the meeting by sending a notice in the manner in which his shares are to be voted to a person authorised to receive and count postal votes at that meeting.
- (ii) The notice shall reach that person not less than 48 hours before the start of the meeting.
- 11.11.5 A person authorised to receive and count postal votes at a meeting shall:
- (i) collect together all postal votes received by him or by the company;
- (ii) in relation to each resolution to be voted on at the meeting, count:
- (A) the number of Members voting in favour of the resolution and the number of votes cast by each Member in favour of the resolution; and
- (B) the number of Members voting against the resolution, and the number of votes cast by each Member against the resolution;
- (iii) sign a certificate that he has carried out the duties set out in subparagraphs (i) and (ii) which sets out the results of the counts required by subparagraph (ii); and
- (iv) ensure that the certificate required by subparagraph (iii) is presented to the chairperson of the meeting.
- 11.11.6 Where a vote is taken at a meeting on a resolution on which postal votes have been cast, the chairperson of the meeting shall:
- (i) on a vote by show of hands, count each Member who has submitted a postal vote for or against the resolution;
- (ii) on a poll, count the votes cast by each Member who has submitted a postal vote for or against the resolution.
- 11.11.7 The chairperson of a meeting shall call for a poll on a resolution on which he holds sufficient postal votes that he believes that, where a poll is taken, the result may differ from that obtained on a show of hands.

11.11.8 The chairperson of a meeting shall ensure that a certificate of postal votes held by him is annexed to the minutes of the meeting.

12. DIRECTORS

12.1 Number

12.1.1 Subject to any subsequent amendment to change the number of directors the number of the directors shall not be less than three (3) and shall include at least two (2) directors who are ordinarily resident in Mauritius. If the number falls below three (3), the remaining directors shall as soon as possible, and in any event not later than three months from the date the number of directors falls below the minimum, fill the vacancy or call a general meeting to fill the vacancy. After the expiry of the three month period the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of Members.

12.1.2 Any director appointed under paragraph 12.1.1 shall hold office only until the next following Annual General Meeting and shall then retire, but shall be eligible for re-election at that meeting.

12.1.3 The quorum for all board meetings shall be three directors.

12.2 Qualification

No director shall be required to hold shares in the company to qualify him for an appointment.

12.3 Appointment

The directors of the company shall be appointed by the company in general meeting or at meetings of the board provided that, in the case of director/s having been appointed by the board, such director/s appointment/s are approved by Members at the next Annual General Meeting if re-elected by the members and if not re-elected, that director's appointment shall lapse. Section 137 of the Companies Act 2001 shall not apply in respect of the appointment of more than one person in a single resolution as directors of the company.

12.4 Retirement of directors

12.4.1 Life directorships are not permissible.

12.4.2 At each Annual General Meeting of Members all the directors shall retire from office and may make themselves available for re-election.

12.4.3 The company at the meeting at which a director retires under any provision of this Constitution may by ordinary resolution fill the office being vacated by electing thereto the retiring director or some other person eligible for appointment. In default, the retiring director shall be deemed to have been re-elected except in any of the following cases:

12.4.3.1 where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and not approved by the requisite majority of directors;

- 12.4.3.2 where such director has given notice in writing to the company that he is unwilling to be re-elected;
- 12.4.3.3 where such director has attained any retiring age applicable to him as director.
- 12.4.4 The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and not approved by the requisite majority of directors and accordingly a retiring director who is re-elected will continue in office without a break.
- 12.4.5 At least 7 days' notice shall be given to the company of any intention to propose a person for election as a director at a meeting of the Members and the consent of such person in relation thereto shall be communicated to the company at least seven days before the date of the meeting.
- 12.4.6 Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director or other executive director may, by ordinary resolution passed at a meeting of Members called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject however, to the right of any such director to claim damages under any contract.

12.5 Remuneration of directors

- 12.5.1 The remuneration of directors shall be proposed by the relevant Board Committee to board for approval.
- 12.5.2 The board may determine the terms of any service contract with a managing director or other executive director.
- 12.5.3 The directors may be paid all travelling, hotel and other expenses properly incurred by them in attending any meetings of the board or in connection with the business of the company.
- 12.5.4 If by arrangement with the board any director shall perform or render any special duties or services outside his ordinary duties as a director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether, by way of salary, commission, participation in profits or otherwise) as the Corporate Governance Committee may, from time, to time determine.
- 12.5.5 A director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be counted in the quorum present at the meeting.
- 12.5.6 Notwithstanding paragraph 12.5.5 above, a director shall be entitled to vote and be counted in the quorum at the meeting in respect of the following matters: -
 - 12.5.6.1 the giving of any security or indemnity either:

- (a) to the director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any of its subsidiaries; or
- (b) to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

12.5.6.2 any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

12.5.6.3 any proposal concerning any other company in which the director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director is beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five percent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights;

12.5.6.4. any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:

- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

12.5.6.5. any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.

12.5.7 For the purposes of paragraph 12.5.6, associate shall have, in relation to any director, the following meanings: -

12.5.7.1 his spouse and any child or stepchild under the age of 18 years of the director ("the individual's family") and;

12.5.7.2 the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object; and

12.5.7.3 any company in the equity capital of which the individual and/or any member or members of the individual's family (taken together) are directly or indirectly interested so as to exercise or control the exercise of 20 percent or more of the voting power at meetings of Members, or

to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters, and any other company which is its subsidiary.

12.5.8 For the purposes of paragraph 12.5.6.3, associate shall have, in relation to a director, the following meaning: -

- (i) a spouse, a director living "*en concubinage*" under the common law, any child or stepchild or any relative residing under the same roof as that director,
- (ii) a succession in which the director has an interest;
- (iii) a partner of that director;
- (iv) any company in which the director owns securities assuring him of more than 10 per cent of a class of shares to which are attached voting rights or an unlimited right to participate in earnings and in the assets upon winding up;
- (v) any controller of that director;
- (vi) any trust in which the director has a substantial ownership interest or in which he fulfills the functions of a trustee or similar function;
- (vii) any company which is a related company.

12.6 Proceedings of directors

12.6.1 Chairperson

12.6.1.1 The directors may elect one of their number as chairperson of the board and determine the period for which he is to hold office.

12.6.1.2 Where no chairperson is elected, or where at a meeting of the board the chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be chairperson of the meeting.

12.6.2 Notice of Meeting

12.6.2.1 A director or, if requested by a director to do so, an employee of the company, may convene a meeting of the board by giving notice in accordance with this paragraph.

12.6.2.2 A notice of a meeting of the board shall be sent to every director and the notice shall include the date, time, and place of the meeting and the matters to be discussed.

12.6.2.3 Any meeting at which the business of the meeting is to appoint a director whether as an additional director or to fill a casual vacancy shall be called by at least 10 business days' notice. Any person

appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the following Annual General Meeting of Members, and shall then be eligible for re-election.

12.6.2.4 An irregularity in the notice of a meeting is waived where all directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or where all directors entitled to receive notice of the meeting agree to the waiver.

12.6.3 Methods of holding meetings

12.6.3.1 The board or any committee thereof may meet at such times and in such manner and places within the Republic of Mauritius as the board may determine to be necessary or desirable.

12.6.3.2 A director shall be deemed to be present at a meeting of the board if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear and communicate with one another.

12.6.4 Alternate directors

A director may by a written instrument appoint an alternate who need not be director and an alternate is entitled to attend meetings in the absence of the director who appointed him and to vote or consent in the place of the director.

12.6.5 Voting

12.6.5.1 Every director has one vote.

12.6.5.2 The chairperson shall not have a casting vote.

12.6.5.3 A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.

12.6.5.4 A director present at a meeting of the board is presumed to have agreed to and to have voted in favour of a resolution of the board unless he expressly dissents from or votes against the resolution at the meeting.

12.6.6 Minutes

The board shall ensure that minutes are kept of all proceedings at meetings of the board.

12.6.7 Resolution in writing

12.6.7.1 A resolution in writing, signed or assented to by all directors then entitled to receive notice of a board meeting, is as valid and effective as if it had been passed at a meeting of the board duly convened and held.

12.6.7.2 Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more directors.

12.6.7.3 A copy of any such resolution must be entered in the minute book of board proceedings.

12.6.8 Directors may delegate

12.6.8.1 Subject to this Constitution, the directors may delegate powers which are conferred on them:

12.6.8.1.1 to such person or committee;

12.6.8.1.2 by such means (including by power of attorney);

12.6.8.1.3 to such an extent;

12.6.8.1.4 in relation to such matters or territories; and

12.6.8.1.5 on such terms and conditions as they think fit.

12.6.8.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

12.6.8.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

12.6.9 Committees

12.6.9.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Constitution which govern the taking of decisions by directors.

12.6.9.2 The directors may not make rules including rules of procedure for all or any committees, which are inconsistent with this Constitution.

13 POWERS AND DUTIES OF DIRECTORS

13.1 Borrowing Powers

The directors may exercise all powers of the company to borrow or raise or secure the payment of money or the performances or satisfaction by the company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue mortgages, charges, bonds, notes and other securities and other instrument whether outright or as security, for any debt liability or obligation of the company or of any third party. In addition, such power shall be exercised, in compliance with Section 143 of the Companies Act 2001.

13.2 Overseas Seal and Branch Registers

13.2.1 The company may exercise the powers conferred by the Companies Act 2001 with regard to having an official seal for use abroad, and those powers shall be vested in the directors.

13.2.2 The company may exercise the powers conferred by the Companies Act 2001 relating to the keeping of branch register and the directors may (subject to the provision of that section) make and vary such regulations as they think fit regarding the keeping of any such branch register.

13.3 Management of company

The business of the company shall be managed by the directors in Mauritius who may pay all expenses incurred in promoting or registering the company and who may exercise all such powers of the company as are, by the Companies Act 2001 or by this Constitution, required to be exercised by the company in general meeting, subject, nevertheless, to the provisions of this Constitution and to the provisions of the Companies Act 2001.

13.4 Indemnity

Subject to the provisions of the Companies Act 2001, and any other statute for the time being in force, every director or other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to, or be incurred by the company in the execution of his office, or in relation thereto.

13.5 Directors expenses

The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

13.5.1 meetings of directors or committees of directors;

13.5.2 general meetings of Members, or

13.5.3 separate meetings of the holders of any class of share or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

14 MISCELLANEOUS PROVISIONS

14.1 Ratification of ultra vires acts

Where the provisions of this Constitution restrict or qualify the purposes, powers or activities of the company, or limits the authority of the directors to perform an act on behalf of the company, the Members may not ratify any actions by the company or the directors that is inconsistent with any such limit, restriction or qualification.

14.2 Governance

The directors may not undertake any action relating to the governance of the company in contravention of this Constitution and/or any provision of the Companies Act 2001,

and to the extent that they do not conflict with this Constitution and/or any provision of the Companies Act 2001 and/or the SEM Rules.

14.3 Liens

The company shall not take a lien or other charge on its own shares and no share shall be issued without being fully paid up.

14.4 Right to inspect accounts and other records

14.4.1 A Member, subject to such conditions and regulations as the directors may determine having regard to any obligation binding upon the company to keep confidential information supplied to it by other persons, may inspect personally or by his agent at any time and from time to time any account or book or document of the company (and take and retain copies of them).

14.4.2 The company will be audited on an annual basis.

14.4.3 A printed copy of the Annual Report of the company prepared in accordance with the Companies Act 2001, including the balance sheet and profit and loss account or income and expenditure account shall, at least 14 days before the date of the meeting of Members, be delivered or sent by post to the registered address of every Member.

14.5 Winding up

If the company is wound up, the liquidator may, with the authority of a special resolution:

14.5.1 divide among the Members in specie the whole or any part of the assets of the company, (and may, for that purpose, value any assets and determine how the division will be carried out as between the Members or different classes of Members); and

14.5.2 vest the whole or any part of the assets of the company in trustees upon such trusts for the benefit of the Members as the liquidator determines,

but no Member will be compelled to accept any assets in respect of which there is a liability.

14.6 Variation of Rights

14.6.1 Where the share capital of the company is divided into different classes of shares, the company shall not take any action which varies the rights attached to a class of shares unless that variation is approved by a special resolution, or by consent in writing of the holders of 75 per cent of the shares of that class.

14.6.2 The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of one third of the issued shares of that class.

14.6.3 So long as the company shall be a listed company, the preferences, rights, limitations or other terms of any class of shares of the company must not be varied and no resolution may be proposed to Members for rights to include such variation in response to any objectively ascertainable external fact.

14.6.4 Adequate voting rights, will in appropriate circumstances and as determined by the board and Members of the company, be secured to holders of preference shares.

14.7 Auditors

14.7.1 Appointment of auditor

14.7.1.1 Appointment of first auditor

The first auditor of the company may be appointed by the Board before the first Annual General Meeting, and if so appointed, shall hold office until the conclusion of the first Annual General Meeting and where the Board does not appoint an auditor, the company shall appoint the first auditor at a meeting of the company.

14.7.1.2 Appointment of auditor at Annual General Meetings

Subject to Cause 14.7.1.1, the company shall at each Annual General Meeting, appoint an auditor to:

- (a) hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting; and
- (b) audit the financial statements of the company and if the company is required to complete group financial statements, those group financial statements, for the accounting period next after the meeting.

14.7.1.3 Automatic reappointment of auditor

14.7.1.3.1 An auditor of the company, other than an auditor appointed before the first Annual General Meeting, shall be automatically re-appointed at an Annual General Meeting of the company unless:

- (a) the auditor is not qualified for appointment; or
- (b) the company passes a resolution at the meeting appointing another person to replace him as auditor; or
- (c) the auditor has given notice to the company that he does not wish to be reappointed.

14.7.1.3.2 An auditor shall not be automatically re-appointed where the person to be reappointed becomes incapable of, or disqualified from, appointment.

14.7.1.4 The Board may fill any casual vacancy in the office of auditor, but while the vacancy remains, the surviving or continuing auditor, if any, may continue to act as auditor.

14.7.1.5 Where:

- (a) at an Annual General Meeting of the company, no auditor is appointed or re-appointed; or

- (b) a casual vacancy in the office of auditor is not filled within one (1) month of the vacancy occurring,

the Registrar of Companies may appoint an auditor,

and the company shall, within 7 days of the power becoming exercisable, give written notice to the Registrar of Companies of the fact that the Registrar of Companies is entitled to appoint an auditor pursuant to its powers under the Companies Act 2001.

14.7.2 Qualifications of auditor

For the purposes of this paragraph 14.7 and this constitution, an auditor appointed by the company shall hold the necessary qualifications as provided by the Companies Act 2001.

14.7.3 Fees and Expenses of auditor

The fees and expenses of an auditor shall be fixed:

- (a) by the company at the meeting or in such manner as the company may determine at the meeting, where the auditor is appointed at such meeting of the company;
- (b) by the Board, where the auditor is appointed by the Board;
- (c) by the Registrar of Companies, where the auditor is appointed by the Registrar of Companies.

14.7.4 Replacement of auditor

14.7.4.1 Subject to the Companies Act 2001, where the company wishes to remove or appoint a new auditor in the place of an auditor who is qualified for reappointment, the following procedures shall be followed:

- (a) the Board shall:
 - (i) resolve on the removal of the auditor; and
 - (ii) give at least 28 days' written notice to the auditor of a proposal to remove the auditor (the "**Removal Notice**");
- (b) upon receipt of the Removal Notice, the auditor may, at its option:
 - (i) Make representation in writing to the Members of the company on the appointment of another auditor; or
 - (ii) Make verbal representations to the Members, either by itself or through its representatives, (A) at the Annual General Meeting at which it is proposed not to reappoint the auditor; or (B) at a Special Meeting called for the purpose of removing and replacing the auditor.

- (c) the Members may remove the auditor:
 - (i) by way of written resolutions, where representations have been received from the auditor in writing and sent out to the Members; or
 - (ii) at the Annual General Meeting or Special Meeting where verbal representations have been received by the auditor or its representative or written representations are being read out to the Members.

14.7.4.2 Subject to paragraph 14.7.4.3, an auditor shall be entitled to be paid by the company reasonable fees and expenses for making the representations to the Members.

14.7.4.3 Where the company or any other person makes an application to the Court, claiming to be aggrieved by the auditor's representations, either (i) being sent out; or (ii) being read out at the meeting of the Members, the Court upon being satisfied that the rights conferred by subsection 14.7.4.1 are being abused to secure needless publicity of defamatory matter, may:

- (a) order that the auditor's representations shall not be sent out or shall not be read at the meeting of Members; or
- (b) order the costs of the application to the Court to be paid in whole or in part by the auditor.

14.7.5 Auditor not seeking reappointment or giving notice of resignation

14.7.5.1 Where an auditor gives the Board a written notice that he does not wish to be re-appointed, the Board shall, if requested to do so by that auditor:

- (a) distribute to all Members and to the Registrar of Companies at the expense of the company, a written statement of the auditor's reasons for his wish not to be re-appointed; or
- (b) permit the auditor or his representative to explain at a meeting of Members, the reasons for his wish not to be re-appointed.

14.7.5.2 An auditor may resign prior to the Annual General Meeting by giving notice to the company calling on the Board to call a Special Meeting of the company to receive his notice of resignation.

14.7.5.3 Where a notice is given by an auditor under subsection 14.7.5.2, the auditor may, at the time of giving his notice to the Board, request the Board to distribute a written statement providing him or his representative with the opportunity to give an explanation on the same terms as are set out in subsection 14.7.5.1

14.7.5.4 Where a written statement is provided for by an auditor under subsection 14.7.5.3 the provisions of 14.7.5.1 shall apply to that statement and explanation.

14.7.5.5 Where a notice of resignation is given by an auditor under section 14.7.5, the appointment of the auditor shall terminate at that meeting and the business of the meeting shall include the appointment of a new auditor to the company.

14.7.5.6 An auditor shall be entitled to be paid by the company reasonable fees and expenses for making the representations to the Members.

15 SECRETARY

15.1 Appointment of Secretary

The Secretary shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit.

15.2 Restriction

Any provision of the Companies Act 2001 or this Constitution requiring or authorising an action to be performed by or in favour of a director and the secretary, shall not be satisfied by its being performed by or in favour of the same person acting both as director and as, or in place of, the secretary.

15.3 Joint secretaries

If the directors think fit, two or more persons may be appointed as joint secretaries.

15.4 Removal

Any secretary or joint secretary may at any time be removed from office by the directors, but without prejudice to any claim for damages for breach of any contract of service between him and the company.

16 DIVIDENDS AND RESERVES

16.1 Declaration of Dividends

16.1.1 The company in general meeting may declare dividends but may not declare a larger dividend than that declared by the directors and no dividend shall be declared and paid except out of profits and unless the directors determine that immediately after the payment of the dividend:

16.1.1.1 the company shall be able to satisfy the solvency test in accordance with Section 6 of the Companies Act 2001; and

16.1.1.2 the realisable value of the assets of the company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

16.1.2 Dividends may be declared and paid in money, shares or other property.

16.1.3 The company may cease sending dividend warrants by post if such warrants have been left uncashed on two successive occasions.

16.1.4 Notwithstanding paragraph 16.1.3 above, the company may cease sending dividend warrants after the first occasion on which such warrant is returned undelivered where after reasonable enquiries, the company has failed to establish any new address of the registered holder.

16.2 Computation of Profit

In computing the profits for the purpose of resolving to declare and pay a dividend, the directors may include in their computation the net unrealised appreciation of the assets of the company.

16.3 Interim Dividends

The directors may from time to time pay to the Members such interim dividends as appear to the directors to be justified by the surplus of the company.

16.4 Entitlement to dividends

16.4.1 Subject to the rights of holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend.

16.4.2 If several persons are registered as joint holders of any share, any of them may give effectual receipt for any dividend or other monies payable on or in respect of the share.

16.4.3 Any amount paid up in advance of calls on any share may carry interest, but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

16.5 Reserves

The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments as the directors may from time to time think fit.

16.6 Notice

Notice of any dividend that may have been declared shall be given to each Member in the manner hereinafter mentioned and all dividends unclaimed for five years after having been declared may be forfeited by resolution of the directors for the benefit of the company. The company shall hold monies other than dividends due to Members in trust indefinitely until lawfully claimed by such Member.

16.7 Interest

No dividend shall bear interest against the company.

17 DEBT INSTRUMENTS

The board may create and issue secured or unsecured debentures and the board may authorise the company to issue secured or unsecured debt instruments but no special privileges associated with any debt instruments to be issued by the company may be granted and the authority of the board in such regard is limited by this Constitution.

18 CAPITALISATION SHARES

The board shall not have the power or authority to –

- 18.1 approve the issuing of any shares of the company as capitalisation shares; or
- 18.2 to issue shares of one class as capitalisation shares in respect of shares of another class; or
- 18.3 to resolve to permit Members to elect to receive a cash payment in lieu of a capitalisation share,

unless the SEM Rules have been complied with.

For the purposes of this section, “capitalisation shares” shall mean, shares issued by the company, whether by way of a bonus award or otherwise, in such manner that the company’s reserves or unappropriated profits are in whole or in part applied in paying up such shares.

19 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

Subject to SEM Rules and the Securities (Purchase of Own Shares) Rules 2007, the board may determine that the company should acquire a number of its own shares.”

CORPORATE GOVERNANCE STATEMENT

ACES is fully committed to complying with the National Code of Corporate Governance for Mauritius (2016).

In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the company and its activities.

The directors have, accordingly, established mechanisms and policies appropriate to the company's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with the National Code of Corporate Governance for Mauritius (2016). The board will review these mechanisms and policies from time to time.

The formal steps taken by the directors are summarised below:

1. BOARD OF DIRECTORS

Given the size of the company, that the company is newly incorporated and in the interests of keeping costs low in the early stages of the company's formation, it has been decided that the board should be small and currently comprises of two (2) executive directors, two (2) independent non-executive directors and two (2) non-executive directors. It is the company's intention to always have at least two (2) independent non-executive directors on the board. The board will ensure that there is an appropriate balance of power and authority on the board, such that no one individual or block of individuals dominates the board's decision-taking. The non-executive directors are individuals of calibre, credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, standards of conduct and evaluation of performance.

The board will be responsible for the strategic direction of the company. It will set the values which the company will adhere to and will formulate in this regard a Code of Ethics which will be applied throughout the company, as provided below.

The board has appointed a chief executive officer and will establish a framework for delegation of authority. The board will ensure that the role and function of the chief executive officer will be formalised, amended from time to time if required, and that the chief executive officer's performance is evaluated against specified criteria.

The current board's diversity of professional expertise and demographics make it a highly effective board with regard to ACES's current strategies. The board shall ensure that, in appointing successive board members, the board as a whole will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

The information needs of the board will be reviewed annually and directors will have unrestricted access to all company information, records, documents and property to enable them to discharge their responsibilities efficiently. Efficient and timely methods of informing and briefing board members prior to board meetings will be developed and in this regard steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to ACES. In this context, the

directors will be provided with information in respect of key performance indicators, variance reports and industry trends.

The board will establish a suitable induction programme to familiarise incoming directors with the company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. Directors will receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

Directors will ensure that they have a working understanding of applicable laws. The board will ensure that the company complies with applicable laws and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules shall be complied with, the board will factor the appropriate and ethical considerations that must be taken into account. New directors with no or limited board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The board will disclose details in their directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

A sub-committee appointed by the board, will appraise the performance of the chief executive officer at least annually.

No executive directors currently hold service contracts. All directors will be subject to retirement by rotation and re-election by ACES shareholders every year in accordance with the company's constitution.

The board will develop a charter setting out its responsibilities for the adoption of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of the company's risk management and internal controls, communication policy and director selection, orientation and evaluation.

Although certain responsibilities will be delegated to committees, the board acknowledges that it is not discharged from its obligations in regard to these matters. In particular, the board acknowledges its responsibilities in the following areas:

- the adoption of strategic plans and ensuring that these plans are carried out by management;
- monitoring of the operational performance of the business against predetermined budgets;
- monitoring the performance of management at both operational and executive levels;
- ensuring that the company complies with all laws, regulations and codes of business practice; and
- ensuring a clear division of responsibilities at board level to ensure a balance of power and authority in terms of company policies.

Board meetings will be held at least quarterly, with additional meetings convened when circumstances necessitate. The board will set the strategic objectives of the company and determine investment and performance criteria as well as being responsible for the sustainability, proper management, control, compliance and ethical behaviour of the businesses under its direction. The board will establish a number of committees to give

detailed attention to certain of its responsibilities and which will operate within defined, written terms of reference.

The board will determine a policy for detailing the manner in which a director's interest in transactions is to be determined and the interested director's involvement in the decision-making process. Real or perceived conflicts will be disclosed to the board and managed in accordance with the pre-determined policy used to assess a director's interest in transactions. The independence of non-executive directors will be reviewed from time-to-time.

The board as a whole and individual directors will have their overall performance periodically reviewed in order to identify areas for improvement in the discharge of individual director's and the board's functions on an annual basis. This review will be undertaken by a sub-committee appointed by the board and, if so determined by the board, an independent service provider. An overview of the appraisal process, results and action plan will be disclosed in the directors' report. Nominations for the re-appointment of a director will only occur after the evaluation of the performance and attendance of the director at board meetings.

The board will determine a policy for detailing the procedures for appointments to the board. Such appointments are to be formal and transparent and a matter for the board as a whole assisted where appropriate by the Corporate Governance Committee.

The development and implementation of nomination policies will be undertaken by the Corporate Governance Committee and the board as whole, respectively.

The board has delegated certain functions to the Audit and Risk Committee and the Corporate Governance Committee. The board is conscious of the fact that such delegation of duties is not an abdication of the board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference will be disclosed in the company's directors' report.

External advisors and directors who are not members of specific committees shall attend committee meetings by invitation, if deemed appropriate by the relevant committees.

The board will establish a procedure for directors, in furtherance of their duties, to take independent professional advice, if necessary, at the company's expense. All directors will have access to the advice and services of the company secretary.

The board's independence from the executive management team that will be appointed, shall be ensured by the following:

- separation of the roles of the chairman (when appointed) and chief executive officer;
- the board being dominated by non-executive directors;
- the Audit and Risk Committee and the Corporate Governance Committee having a majority of independent non-executive directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the company, at the company's expense.

The criteria used to assess the independence of the directors are as follows:

- whether the director is a representative of a shareholder who has the ability to control or significantly influence management or the board;
- whether the director has a direct or indirect interest in the company which exceeds 5% of the company's total number of shares in issue;
- whether the director has a direct or indirect interest in the company which is less than 5% of the company's total number of shares in issue, but is material to the director's personal wealth;
- whether the director has been employed by the company of which it currently forms part of in any executive capacity, or appointed as the designated auditor or partner in the company's external audit firm, or senior legal adviser for the preceding financial year;
- whether the director is a member of the immediate family of an individual who is or has during the preceding financial year been employed by the company in an executive capacity;
- whether the director is a professional adviser to the company other than in the capacity as a director;
- whether the director is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere with the directors' capacity to act in an independent manner, such as being a director of a material customer or supplier to the company; and
- whether the director receives remuneration contingent upon the performance of the company.

2. AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee are:

- Smitha Algoo Bissounauth
- James Friedlander

The board has established an Audit and Risk Committee of which one independent non-executive director shall be the chairperson.

All of the members of the committee are financially literate (and the board will ensure that any future appointees are financially literate). The committee's primary objective will be to provide the board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The committee will be required to provide satisfaction to the board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation. The Audit and Risk Committee will be responsible for overseeing the directors' report. In this regard the Audit and Risk Committee will have regard to all factors and risks that may impact on the integrity of the directors' report, and the board will review and comment on the financial statements and the disclosure of sustainability issues included in the directors' report. In addition, the Audit and Risk Committee will have general oversight over and report on the sustainability issues, will review the directors' report to ensure that the information contained therein is reliable and does not contradict the financial aspects of the report and will oversee the provision of assurance over sustainability

issues. The Audit and Risk Committee will review the content of the company's financial results and will engage external auditors to provide assurance on the summarised financial information.

Within this context, the board is responsible for the company's systems of internal, financial and operational control. The executive directors will be charged with the responsibility of determining the adequacy, extent and operation of these systems. Comprehensive reviews and testing of the effectiveness of the internal control systems in operation will be performed by the Audit and Risk Committee. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of its assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. An Audit and Risk Committee charter is to be prepared and reported to the board.

The Audit and Risk Committee will meet at least three times a year. Executives and managers will be responsible for finance and the external auditors will be in attendance. The Audit and Risk Committee will review the finance function of the company on an annual basis.

The Audit and Risk Committee may authorise engagements for non-audit services with the appointed external auditors or any other practising firm of auditors, after consideration of the following:

- the essence of the work being performed may not be of a nature that any reasonable and informed observer would construe as being detrimental to good corporate governance or in conflict with that normally undertaken by the accountancy profession;
- the nature of the work being performed will not affect the independence of the appointed external auditors in undertaking the normal audit assignments;
- the work being done may not conflict with any requirement of generally accepted accounting practice or principles of good corporate governance;
- the operational structure, internal standards and processes being adopted by the audit firm in order to ensure that audit independence is maintained in the event that such audit firm is engaged to perform accounting or other non-audit services to its client base. Specifically:
 - the company may not appoint a firm of auditors to improve systems or processes where such firm of auditors will later be required to express a view as to the functionality or effectiveness of such systems or processes;
 - the company may not appoint a firm of auditors to provide services where such firm of auditors will later be required to express a view on the fair representation of information the result of these services to the company; and
 - the total fee being earned by an audit firm for non-audit services in any financial year of the company, expressed as a percentage of the total fee for audit services, may not exceed 35% without the approval of the board;
- a firm of auditors will not be engaged to perform any management functions (e.g. acting as curator) without the express prior approval of the board. A firm of auditors may be engaged to perform operational functions, including that of bookkeeping, when such firm of auditors are not the appointed external auditors of the company and work is being performed under management supervision.

Information relating to the use of non-audit services from the appointed external auditors of the company shall be disclosed in the notes to the annual financial statements. Separate disclosure of the amounts paid to the appointed external auditors for non-audit services as opposed to audit services, shall be made in the annual financial statements.

The Audit Committee must consider on an annual basis and satisfy itself of the appropriateness of the expertise and experience of the financial director and the company must confirm this by reporting to shareholders in its annual report that the Audit Committee has executed this responsibility.

With regards to the appointment of directors, the Audit and Risk Committee will undertake background and reference checks before the appointment of directors. The board shall make full disclosures regarding individual directors to enable shareholders to make their own assessment of the directors.

The Audit and Risk Committee will report at the company's annual general meeting how it has discharged its duties during the financial year to be reported on.

3. RISK MANAGEMENT AND INTERNAL CONTROLS

Risk and internal controls management will be under the responsibility of the Audit and Risk Committee.

The Audit and Risk Committee will participate in management's process of formulating and implementing the risk management plan and will report on the plan adopted by management to the board.

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed, including, but not limited to, information technology risk. The board will be responsible for ensuring the adoption of appropriate risk management policies by management. The board will also ensure that there are processes in place between itself and management enabling complete, timely, relevant, accurate and accessible risk disclosure to shareholders.

To enable the Audit and Risk Committee to meet its responsibilities, the Audit and Risk Committee will set standards and management will implement systems of internal control and an effective risk-based internal audit, comprising policies, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records and reporting;
- preparing timely, reliable financial statements and information in compliance with relevant legislation and generally accepted accounting policies and practices; and
- increasing the probability of anticipating unpredictable risk.

The board will, in its directors' report, comment on the effectiveness of the system and process of risk management.

The board will ensure that management considers and implements the appropriate risk responses and IT strategy.

4. CORPORATE GOVERNANCE COMMITTEE

The members of the Corporate Governance Committee are:

- James Friedlander; and
- Toorisha Nakey-Kurnauth.

The board has established a Corporate Governance Committee which will be chaired by one non-executive director.

The role of the Corporate Governance Committee will be to work on behalf of the board and be responsible for recommendations with regard to:

- a) ensuring that the reporting requirements on corporate governance, whether in the annual report or on an ongoing basis are in accordance with the National Code of Corporate Governance for Mauritius (2016);
- b) determining, developing and agreeing the company's general policy or executive and senior management remuneration;
- c) determining specific remuneration packages for executive directors of the company, including but not limited to basic salary, benefits in kind, annual bonuses, performance incentives, share incentives, pensions and other benefits;
- d) determining any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities; and
- e) determining the level of non-executive and independent non-executive fees to be recommended to the shareholders at the meeting of shareholders.

The Committee, in carrying out its tasks, may obtain such outside or other independent professional advice as it considers necessary.

No member of the Corporate Governance Committee can be involved or vote on committee decisions in regard to his/her own remuneration.

5. DIRECTORS' DEALINGS

The company will operate a policy of prohibited dealings by directors and the company secretary during the period of one month immediately preceding the announcement of the issuer's annual results and the publication of the interim (quarterly) report together with dividends and distributions to be paid or passed and at any other time deemed necessary by the board.

The directors will follow the principles of the model code on securities transactions by directors as detailed in **Appendix 6** of the SEM Listing Rules.

All directors trading must take place exclusively outside the closed periods prescribed by the SEM and require written authorization from the board.

6. THE COMPANY SECRETARY

The company secretary will provide the board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the company. The board is satisfied that the company secretary maintains an arms-length relationship with the board and is sufficiently qualified and experienced to execute the required duties.

The company secretary will provide a central source of guidance and advice to the board, and within the company, on matters of ethics and good corporate governance and will assist with the appointment of directors to the board. The directors have unlimited access to advice and services of the company secretary.

The board has considered the competence, qualification and experience of the company secretary, as the company secretary. The board considers the company secretary fit to fulfil this function and its relationship with the board is considered to be at arm's length.

Nothing has come to the attention of the board of directors that indicate non-compliance by the company with applicable laws and regulations.

The company secretary will be subject to an annual evaluation by the board.

7. COMMUNICATION WITH SHAREHOLDERS

It will be the policy of ACES to meet regularly with institutional shareholders, private investors and investment analysts for discussion on the performance and management of the company and it shall promote a stakeholder inclusive approach.

The board appreciates that shareholders' perceptions affect the company's reputation and in this regard will establish policy for the engagement of the company's stakeholders. The board will encourage shareholders to attend annual general meetings through effective communication whether by means of the press or otherwise.

8. DIRECTORS' REPORT

The company's annual report and accounts will include detailed reviews of the company, together with a detailed review of the financial results and financing positions. In this way the board will seek to present a balanced and understandable assessment of the company's position and prospects.

The company will establish comprehensive management reporting disciplines which include the preparation of quarterly management accounts, detailed budgets and forecasts. Quarterly results, the financial position and cash flows of operating units will be reported against approved budgets and compared to the prior period. Any profit and cash flow forecasts and working capital levels published by the company will be reviewed regularly.

Sustainability reporting and disclosure shall be integrated with the company's financial reporting. The financials will state the company's positive and negative impact and detail whatever steps have been taken to improve on the negative impact.

The board will ensure the integrity of the directors' report.

9. BUSINESS RESCUE

At the first sign of the company becoming financially distressed in terms of the Companies Act 2001 and Insolvency Act 2009, the board will meet to consider available business rescue procedures or other turn-around mechanisms. In this regard, the board will monitor, on a continuous basis, the solvency and liquidity of the company and, in the event that business rescue is adopted, a suitable practitioner (who may be an insolvency practitioner in terms of the Insolvency Act 2009) will be appointed. The practitioner will be required to provide security for the value of the assets of the company.

DETAILS ON THE CONVERTIBLE LOAN STOCK

Rights, privileges and conditions attached to the irredeemable convertible loan stock (“loan stock”)

The loan stock units shall have the following special rights and be subject to the following special conditions –

1. each of the loan stock unit shall be issued at USD 0.05 cents each;
2. confer the right to receive interest from the Company at a rate of the Three -month Libor plus 5% per annum calculated on the issue price of the loan stock;
3. the interest shall be payable in cash;
4. the interest shall be due and payable in arrears on 30 June and 31 December of each year. The first interest payment shall be in respect of the initial period from the date of allotment and issue to 30 June 2019, calculated on a *pro rata* basis, and thereafter in respect of the six-month periods ending on 31 December and 30 June;
5. the loan stock shall confer the right on a winding up of the Company to receive any arrears in the interest and the return of the capital based on the subscription price of the loan stock to the holders of the loan stock on the same basis as any other unsecured creditor and in priority to the holders of any class of shares in the Company;
6. subject to the approval of the SEM, the loan stock may be converted by the holders thereof giving seven days written notice to the Company, but shall be automatically converted into ordinary shares of the Company (credited as fully paid) on 30 June 2021 in terms of the following formula:
 - Up to 30 June 2019 at a price of USD1.00 per ordinary share in the Company;
 - On 30 June 2020 at a price of USD1.80 per ordinary share in the Company;
 - On 30 June 2021 at a price of USD2.40 per ordinary share in the Company;

upon conversion the Company shall issue to the holders of the loan stock free of charge a new certificate in respect of the relevant number of ordinary shares in the Company;

7. In the event that the Company is acquired by a company listed on any recognised Stock Exchange then the Company undertakes that the Acquiror will acquire any remaining loan stock units in exchange for loan stock units in the Acquiror on the same terms and conditions as the loan stock created by the special resolution.
8. the ordinary share arising pursuant to the conversion shall, from the date of conversion thereof rank *pari passu* in all respects with the then existing ordinary shares of the Company, and shall entitle the holder thereof to any dividends declared in respect of any period commencing after the date of conversion, whether or not such dividends are declared wholly or in part in respect of any period prior to the conversion date.

9. if the Company should, prior to the conversion date, issue any shares, other securities or benefits by way of rights to its existing ordinary shareholders or ordinary shares, the Company shall offer the same rights to the holders of the loan stock on the basis which would have applied had conversion already taken place;
10. if the Company should, prior to the conversion date, make a capitalisation issue (excluding any issue of shares in lieu of dividends), the Company shall ensure that the issue shall be made only in the form of ordinary shares, in which event the number of ordinary shares which an loan stockholder shall receive in respect of the conversion after such capitalisation issue, shall be adjusted in the same proportion (ignoring fractions on the aggregation of a loan stockholder's entitlement) as the proportion which the number of issued ordinary shares of the Company before the capitalisation issue bears with the number of issued ordinary shares of the Company after that capitalisation issue;
11. if the Company should, before the conversion of the loan stock, consolidate or subdivide its ordinary share, the number of ordinary shares which a loan stockholder shall receive in respect of the conversion after the consolidation or subdivision shall be adjusted in proportion to that consolidation or subdivision;
12. any adjustment required in terms of sub-article 10 or 11 above shall be determined by the Company's auditors, acting as experts, whose decisions shall be final and binding on the Company and all its ordinary and loan stockholders;
13. the holders of the loan stock shall be entitled to receive notice of and be present at any general meeting of shareholders of the Company but not to vote in person or by proxy in respect of the loan stock, unless –
 - a. at the date of that meeting interest is due in terms of sub-article 2 or any part thereof, remains in arrears and unpaid for 6 (six) months from the due date on which that interest has accrued; or
 - b. a resolution is proposed at that meeting –
 - (A) which directly affects any of the rights attached to the loan stock or the interests of the holders thereof (the rights and privileges attaching to the loan stock shall not be regarded as being directly or adversely affected by the creation and issue by the Company of any further shares of any class, unless those new shares rank as regards participation in assets or profits of the Company in all or some respects in priority to or *pari passu* with the loan stock);
 - (B) for the winding up of the Company or for the reduction of its share capital and/or share premium;
 - (C) for the disposal of the whole or substantially the whole of the undertaking of the Company.
 - (D) At every meeting of the holders of the loan stock, the provision of these articles relating to general meetings of ordinary members shall apply *mutatis mutandis*, except that a quorum at any such general meeting shall be any person or persons holding or representing by proxy at least 75% of the loan stock, provided if that at any adjournment of such meeting a quorum is not so present, the provisions of the articles relating to adjourned general meetings shall apply *mutatis mutandis*. At

every general meeting of the Company at which the holders of the loan stock as well as other classes of shares are present and entitled to vote, upon a poll the holder of the loan stock shall be entitled to that proportion of the total votes in the Company

14. at every general meeting of shareholders of the Company at which the holders of the loan stock as well as other classes of shares are present and entitled to vote, the holders of the loan stock shall, have –

- 14.1 if present in person, one vote on a show of hands;

- 14.2 upon a poll be entitled to that proportion of the total votes in the Company which aggregate amount of the nominal value of the loan stock held by it bears to the aggregate amount of the nominal value of all the shares entitled to be voted at such a meeting;

15. the terms of the loan stock may not be modified, altered, varied added to or abrogated without:

- 15.1 the prior written consent of each of the holders of the loan stock; or

- 15.2 the prior approval of a resolution passed at a separate class meeting of the holders of the loan stock in the same manner mutatis mutandis as a special resolution.

Annexure 7

SALIENT DETAILS OF LOAN AGREEMENTS WITH SUBSIDIARIES AND ASSOCIATE COMPANIES

Name of Subsidiary	Amount of Loan (USD)	Rate of Interest	Repayment Date
ACES (UK)	13,008	2% above Libor	30 June 2019
Tana Biomass	98,138	2% above Libor	31 July 2019
Unergy	41,746	2% above Libor	30 September 2019
VFU-Cell	nil	2% above Libor	31 July 2020
SACE	298,500	2% above Libor	30 June 2021
TOTAL			

Note:

The Financial Close of a project occurs when all the requirements to commence construction occurs;

These loans can be converted into equity in the Subsidiary as the funds are used to develop the project, thereby reducing the total equity needs in the subsidiary.

Current List of Investment Projects

The company, through its subsidiary companies, is involved in a number of projects in Kenya, Uganda and Zambia and are investigating opportunities in Mozambique, Ivory Coast and Ghana.

Set out below is a complete list of projects the company and SACE are either working on or completed. These projects are set out as active projects. Although the projects described below include those developed by SACE in South Africa and Namibia, they demonstrate the capability of the company's management to complete projects on the African continent.

"COD" means commercial operating date, i.e. when the plant has been installed, tested, approved by the authorities and producing energy in terms of the specifications.

Country and Location of Project	Type of Renewable	Net Size MW	Estimated Cost of project (US\$'Ms)	Percentage Holding of Project	Selling Price per kWh	Group Investment Value (US\$'Ms)	Net Present Value @ 12%	IRR to ACES	Status
SOUTH AFRICA ACTIVE SACE PROJECTS									
Hazyview	Biomass/Bio gas (Active)	4,2 MW	US\$10.7	49%	7.85 US cents (denominated in ZAR) escalating	US\$1.3	US\$2.7	13.7%	This project is being re-investigated

					at RSA CPIX				due to the increased Capex.
Port Elizabeth	Solar (Active)	3MW	US\$5,1	49%	7.85 US cents (denominated in ZAR) escalating at RSA CPIX	US\$0.62	US\$0.9	30,2%	Power Purchase Agreements being finalized
Stilfontein	Biogas for Mine	7 MW		60%					Project under development
NAMIBIA ACTIVE SACE PROJECTS									
NAMPOWER OKATOPE	Solar (Active)	5 MW	US\$9.3	10,2%	9,79 US cents per kWh (denominated in N\$) escalating at Namibia CPIX	US\$0.34	US\$2.2	15.6%	Finalised - commenced building plant in January 2018 and COD June 2019
NAMPOWER OKATOPE	Solar (Active)	5 MW	US\$9.3	10,2%	9,79 US cents per kWh (denominated in N\$)	US\$0.34	US\$2,2	15.6%	Finalised – commenced building plant in January 2018

AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

SEPARATE FINANCIAL STATEMENTS -
PERIOD FROM 8 DECEMBER 2017
(DATE OF INCORPORATION)
TO 30 JUNE 2018

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

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**MANAGEMENT AND ADMINISTRATION - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

Appointed on

DIRECTORS :	Smitha Algoo-Bissonauth	8 December 2017
	Melvyn Joseph Antonie	8 December 2017
	Johan David Kruger	8 December 2017
	Toorisha Nakey-Kurnauth	8 December 2017
	James Stuart Friedlander	19 February 2018
	Gaetan Michel Siew Hew Sam	6 November 2018

MAURITIUS BANKER AfrAsia Bank Limited
Bowen Square
10, Dr Ferriere Street
Port-Louis
Mauritius

CORPORATE SECRETARY Intercontinental Trust Limited
Level 3, Alexander House
35 Cybercity
Ebène
Mauritius

REGISTERED OFFICE : Level 3, Alexander House
35 Cybercity
Ebène
Mauritius

AUDITORS : BDO & Co
Chartered Accountants
10, Frère Félix de Valois Street
Port Louis
Mauritius

**COMMENTARY OF THE DIRECTORS - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

INCORPORATION

Africa Clean Energy Solutions Limited, referred to as the "Company", was incorporated in the Republic of Mauritius on 8 December 2017 under the Companies Act 2001 as a private company limited by shares. The Company has, by special resolution, converted itself into a public company on 7 March 2018. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide clean energy solutions through its subsidiaries.

RESULTS AND DIVIDENDS

The results of the Company for the period ended 30 June 2018 are as shown in the statement of profit or loss and other comprehensive income.

The directors did not recommend any payment of dividend for the period under review.

DIRECTORS

The present membership of the Board is set out on page 1.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those separate financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and henceforth taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, BDO & Co, have indicated their willingness to continue in office and a resolution proposing their automatic re-appointment will be tabled at the next annual meeting of the shareholders.

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

3

**SECRETARY'S CERTIFICATE - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

A handwritten signature in black ink, appearing to be 'H. S.', is written above the name of the secretary.

**INTERCONTINENTAL TRUST LIMITED
SECRETARY**

Date: 31 DEC 2018

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

4

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Africa Clean Energy Solutions Limited

Report on the audit of the Financial Statements

Opinion

We have audited the separate financial statements of Africa Clean Energy Solutions Limited (the Company), on pages 5 to 21 which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements on pages 5 to 21 give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Commentary of the Directors but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



AFRICA CLEAN ENERGY SOLUTIONS LIMITED

4(a)

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Africa Clean Energy Solutions Limited

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (continued)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



AFRICA CLEAN ENERGY SOLUTIONS LIMITED

4(b)

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Africa Clean Energy Solutions Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

This report is made solely to the members of Africa Clean Energy Solutions Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co
Chartered Accountants

Per Rookaya Ghanty, FCCA
Licensed by FRC

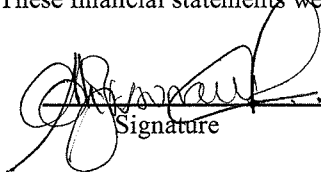
Port Louis,
Mauritius

31 DEC 2018

STATEMENT OF FINANCIAL POSITION - 30 JUNE 2018

	<u>Notes</u>	<u>2018</u> <u>USD</u>
ASSETS		
Non-current assets		
Investments in subsidiary companies	6	-
Current assets		
Amounts receivable from related parties	7	130,707
Other receivables	8	8,863
Cash and cash equivalents	9	52,530
		<u>192,100</u>
Total assets		<u>192,100</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	10	180,423
Equity component of convertible loan	11	32,390
Accumulated loss		(53,016)
Total equity		<u>159,797</u>
Liabilities		
Non current liabilities		
Borrowings	12	4,098
Current liabilities		
Borrowings	12	3,512
Accruals and payables	13	24,275
Subscription monies received in advance	14	418
		<u>28,205</u>
Total equity and liabilities		<u>192,100</u>

These financial statements were approved for issue by the Board of Directors on: **31 DEC 2018**


Signature


Signature)

) DIRECTORS

Smitha Algoos-Bissonauth
Name

Toorisha Nakey-Kurnauth
Name

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 4 to 4(b).

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -
PERIOD FROM 08 DECEMBER 2017 (DATE OF INCORPORATION) TO 30 JUNE 2018**

	<u>Note</u>	<u>2018</u> <u>USD</u>
INCOME		
Interest on loan		<u>962</u>
EXPENDITURE		
Compliance fees		(388)
Professional fees		(42,560)
Directors' fees		(1,453)
Licence fees		(2,700)
Provision of registered office and company secretary fees		(986)
Accounting fees		(1,400)
Legal fees		(920)
Interest on convertible loan		(819)
Bank charges		(1,308)
Travel expenses		<u>(1,444)</u>
		<u>(53,978)</u>
Loss before taxation		(53,016)
Taxation	5	-
Loss for the period		<u>(53,016)</u>
Other comprehensive income for the period		<u>-</u>
Total comprehensive loss for the period		<u><u>(53,016)</u></u>

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 4 and 4(b).

**STATEMENT OF CASH FLOWS - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

	<u>Note</u>	<u>2018</u> <u>USD</u>
Cash flows from operating activities		
Loss for the period		(53,016)
<i>Adjustment:</i>		
Interest income		(962)
<i>Changes in working capital:</i>		
Receivables and prepayments		(8,863)
Accruals and payables		24,275
Net cash used in operating activities		<u>(38,566)</u>
Cash flows from investing activities		
Loan granted to related parties		(129,745)
Net cash used in investing activities		<u>(129,745)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares		180,423
Subscription monies received in advance		418
Proceeds from convertible loan		40,000
Net cash generated from financing activities		<u>220,841</u>
Net increase in cash and cash equivalents		<u>52,530</u>
Movement in cash and cash equivalents		
At start of period		-
Increase		52,530
At end of period	9	<u>52,530</u>

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 4 and 4(b).

**STATEMENT OF CHANGES IN EQUITY - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

	Stated capital	Equity component of convertible loan	Accumulated losses	Total
	USD	USD	USD	USD
At 8 December 2017	-	-	-	-
Total comprehensive loss for the period	-	-	(53,016)	(53,016)
Issue of shares	180,423	-	-	180,423
Equity component of convertible loan	-	32,390	-	32,390
Total transactions with owners	180,423	32,390	-	212,813
At 30 June 2018	180,423	32,390	(53,016)	159,797

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 4 to 4(b).

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

1. GENERAL INFORMATION

Africa Clean Energy Solutions Limited was incorporated in the Republic of Mauritius on 8 December 2017 under the Companies Act 2001 as a private company limited by shares. The Company has, by special resolution, converted itself into a public company on 7 March 2018. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The Company, through its subsidiary companies, is a clean energy solutions provider. The Company is planning to list on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") during 2019. The Company is regulated by the Financial Services Commission in Mauritius.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements of Africa Clean Energy Solutions Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are prepared under the historical cost convention, except that relevant financial assets and financial liabilities are stated at their fair value or carried at their amortised cost, as appropriate.

These financial statements are the separate financial statements of the Company and contain information about Africa Clean Energy Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The consolidated financial statements are being finalised and will be filed at a later stage and will be available for inspection at the Company's registered office at Level 3, Alexander House, Ebène, Mauritius.

Amendments to published Standards effective in the reporting period

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Company's financial statements.

Disclosure Initiative (Amendments to IAS 7). The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

Annual Improvements to IFRSs 2014-2016 Cycle

IFRS 12 Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2018 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

Sale or Contribution of Assets between an Investor and its Associate or Joint

Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Prepayment Features with negative compensation (Amendments to IFRS 9)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

Annual Improvements to IFRSs 2015-2017 Cycle

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using United States Dollars, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar (USD) which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currencies (cont'd)

(ii) *Transactions and balances*

Foreign currency transactions are translated into United States Dollars using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(c) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

The Company classifies financial assets into the following categories:

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held-for-trading and those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the end of the reporting period.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss.

(ii) *Loans and other receivables*

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and other receivables are measured at amortised cost using the effective interest method less any impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(iii) *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired when 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 from the asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(iv) *Financial liabilities and equity instruments*

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments

Equity instruments issued by the Company comprise of ordinary shares and are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including borrowings, accruals and payables) are initially stated at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Convertible loan

The liability component of convertible loan is recognised at fair value. The equity component is recognised initially at the difference between the fair value of the instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component is not re-measured subsequent to initial recognition except on conversion or expiry.

(d) Cash and cash equivalents

Cash and cash equivalents include cash at bank.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognised in profit or loss as follows:

- Dividend income - when the shareholder's right to receive payment is
- Interest income - on a time-proportion basis using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Investments in subsidiary companies**

Subsidiaries are all entities over which the Company has control. Control is achieved when the Company:

- power over the investee;
- is exposed to, or has rights to, variable return returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

In the Company's separate financial statements, investment in subsidiary company is carried at cost. The carrying amount is reduce to recognise any impairment in the value of individual investments.

The Company has investments in subsidiaries at the reporting date. These financial statements are those of an individual entity and the consolidated financial statements are currently being finalised and will be filed at a later stage

(g) Expense recognition

Expenses are accounted for in the profit or loss on the accrual basis.

(h) Current and deferred income tax

Tax expense comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The Company's overall risk management program seeks to maximise the returns derived from the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents held at banks and amounts receivable from related parties. Credit risk is managed on a Company basis. Management does not foresee any losses arising from non-performance by the related parties.

Credit risk arising on cash and cash equivalents is considered as being minimal as the Company only deposits cash with reputable banking institutions.

Management does not expect any losses from non-performance by these counterparties.

The maximum exposure to credit risk is the carrying amount of the financial assets as set out below.

	2018
	USD
Other receivables	833
Loan and interest receivable	130,707
	<u>131,540</u>
Cash and cash equivalents	<u>52,530</u>

Prepayments are excluded from financial assets.

(b) Cash flow and fair value interest rate risk

Cash flow and fair value interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At 30 June 2018, the Company is exposed to variable interest rate on its loan with related parties and loans payable on convertible loan. If the interest rate changed by 50 basis point higher/lower, the loss for the period would have been USD 649 higher/lower respectively.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements. Once listed on the official market of the Stock Exchange of Mauritius, the Company aims to raise funds on the market to fund its projects.

The maturity analysis of financial liabilities is as follows:

	Less than 1 year <u>USD</u>	Between 1 and 2 years <u>USD</u>	Between 2 and 5 years <u>USD</u>	Over 5 years <u>USD</u>
At 30 June				
Accruals and payables	24,275	-	-	-
Borrowings	3,512	-	4,098	-
	<u>28,205</u>	<u>-</u>	<u>4,098</u>	<u>-</u>

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Board of Directors reviews the capital structure of the Company on an annual basis and considers the cost of funding and the risks associated with each source.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated by the Company as total borrowings less cash and cash equivalents. Total equity equals equity as shown in the consolidated statement of financial position.

The Company is mainly financed by shareholders.

3.3 Fair value estimation

The fair values of those financial assets and liabilities not presented on the Company's and the Company's statements of financial position at their fair values are not materially different from their carrying amounts.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risks that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

Amounts receivable from related parties

The Company assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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5. TAXATION

(a) Income Tax

The Company is liable to tax in Mauritius at 15% on its taxable income. It is however entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax on its foreign source income. Capital gains of the Company are exempt from tax in Mauritius.

	2018
	USD
(b) Statement of profit or loss and other comprehensive income	
Current tax on the adjusted profit for the period	-
(c) Statement of financial position	
Tax charge for the period	-
(d) The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:	
	2018
	USD
Loss for the period	(53,016)
Tax calculated at rate of 15%	(7,952)
Income not subject to tax	-
Expenses not deductible for tax purposes	583
Utilised tax losses	7,369
Tax charge	-
Tax losses available for net off against future taxable profit of the Company are as follows:	
	USD
Up to the year ending	
June 30, 2023	(49,131)

No deferred tax asset has been recognised in respect of the tax losses due to unpredictability of future profit streams.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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6. INVESTMENTS IN SUBSIDIARY COMPANIES

	<u>2018</u>
	<u>USD</u>
At 8 December 2017	-
Additions	0.03
At 30 June 2018	<u>0.03</u>

Details of the subsidiary companies are as follows:

<u>Name</u>	<u>Class of shares held</u>	<u>Year End</u>	<u>% Holding</u>		<u>Country of incorporation and operation</u>
			<u>Direct</u>	<u>Indirect</u>	
Africa Clean Energy Solutions (ACES) Limited	Ordinary	30 June	100%	-	England
TANA Biomass Generation Limited	Ordinary	30 June	-	70%	Kenya
Tana Solar Limited	Ordinary	30 June	-	70%	Kenya
Unergy Limited	Ordinary	30 June	-	75%	Uganda
VFU - Clean Energy Limited	Ordinary	30 June	-	70%	Zambia

These are the separate financial statements of the Company and the consolidated financial statements will be filed at a later stage and will be available for inspection at the Company's registered office at Level 3, Alexander House, Ebène, Mauritius.

NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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7. AMOUNT RECEIVABLE FROM RELATED PARTIES	2018
	USD
South Africa Clean Energy Solutions Limited	76,457
Robert Wanjohi Muchiri	5,058
TANA Biomass Generation Limited	37,190
Unergy Limited	2,588
Africa Clean Energy Solutions (ACES) Limited	9,414
	130,707

Amounts receivable from related parties comprise of loans and interest receivable.

All loans are unsecured and shall bear interest at 2% above the three month Libor rate, which interest will be repayable quarterly in arrears. The loans shall be repayable on 30 June 2020.

Amount receivable from related parties are denominated in USD and are neither past due nor impaired.

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

8. OTHER RECEIVABLES	2018
	USD
Other receivables	833
Prepayments	8,030
	8,863

The carrying amount of the receivables approximate their fair value.

Other receivables are denominated both in US Dollar.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

As of 30 June 2018, none of the receivables were past due or impaired.

9. CASH AND CASH EQUIVALENTS	2018
	USD
Cash at bank	52,530

10. STATED CAPITAL	Ordinary Shares	
	Number	USD
At 08 December 2017	-	-
Issued during the period	435,613,209	180,423
At 30 June 2018	435,613,209	180,423

All issued ordinary shares are fully paid.

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

**NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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11. EQUITY COMPONENT

During the period under review, the Company issued convertible bond of USD 40,000 in favour of Richard Morrisson and Arch Holdings Inc.

The terms are as follows:-

The convertible bond shall be automatically converted in equity shares on 30 June 2021 in terms of the following formula:

- Up to 30 June 2019 at a price of USD1.00 per ordinary share in the Company;

- On 30 June 2020 at a price of USD 1.80 per ordinary share in the Company;

- On 30 June 2021 at a price of USD 2.40 per ordinary share in the Company;

The convertible bond shall beared an interest rate of 3 Months LIBOR rate plus 5%.

The shares do not carry any voting rights until converted into equity shares.

12. BORROWINGS

	<u>2018</u>
	<u>USD</u>
Liability component of convertible loan	<u>7,610</u>
Analysed between:	
Current liability	3,512
Non current liability	4,098
	<u>7,610</u>

13. ACCRUALS AND PAYABLES

	<u>2018</u>
	<u>USD</u>
Audit fee accrued	11,500
Interest payable on convertible loan	819
Other payables	11,956
	<u>24,275</u>

The carrying amounts of payables and accruals approximate their fair value.

14. SUBSCRIPTION MONIES RECEIVED IN ADVANCE

These relate to funds received during the financial period in respect of shares which had not yet been allotted at the end of the reporting period.

	<u>2018</u>
	<u>USD</u>
Subscription monies received in advance	<u>418</u>

15. CONTINGENT LIABILITIES

The Company had no known contingent liabilities as at 30 June 2018.

16. CAPITAL COMMITMENTS

There were no capital commitments as at 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS - PERIOD FROM 08 DECEMBER 2017
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17. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(a) <u>Balances at 30 June</u>	<u>2018</u>
	USD
Loan receivable from related parties:	
South Africa Clean Energy Solutions Limited (South Africa) - Associate company	76,457
Robert Wanjohi Muchiri - Director of Tana Biomass Generation Limited	5,058
TANA Biomass Generation Limited (Kenya) - Indirect subsidiary	37,190
Unergy Limited (Uganda) - Indirect subsidiary	2,588
Africa Clean Energy Solutions (ACES) Limited - 100% held subsidiary of the Company	9,414
	<u>130,707</u>

Terms and conditions of the loans are disclosed in note 7.

(b) <u>Transactions during the period</u>	<u>2018</u>
	USD
Interest income from related parties:	
South Africa Clean Energy Solutions Limited	457
Robert Wanjohi Muchiri	57
TANA Biomass Generation Limited	344
Unergy Limited (Uganda)	7
Africa Clean Energy Solutions (ACES) Limited	97
	<u>962</u>

Related party transactions were made in the normal course of business.

No guarantees have been given to or received from related parties.

No impairment was recorded in respect of amounts receivable from related parties.

(c) No fees were paid to key management personnel.

18. EVENTS AFTER THE REPORTING DATE

The Listing Executive Committee of the Stock Exchange of Mauritius (SEM) has approved on 29 November 2018 the listing of up to 60,441,542 ordinary shares of no par value of the Company on the official market of the SEM.