



M FITEC International Limited

Incorporated in the Republic of South Africa

(Registration number 2015/294800/06)

Share code: MFI ISIN: ZAE000209607

("M-FiTEC" or "the Company")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 4 of this Pre-listing Statement apply *mutatis mutandis* throughout this Pre-listing Statement, including (unless the context otherwise indicates) the annexures thereto.

This Pre-listing Statement is prepared and issued in terms of the Listings Requirements. This Pre-listing Statement is not an invitation to the public to subscribe for or to purchase Shares in M-FiTEC in any jurisdiction and is issued in compliance with the Listings Requirements for the purpose of providing information to the public with regard to the Company.

The JSE has granted M-FiTEC a listing as a SPAC, by way of Introduction of the entire issued ordinary share capital of the Company on AltX under the abbreviated name "M-FiTEC", share code "MFI" and ISIN ZAE000209607 with effect from the commencement of trade on Tuesday, 17 November 2015.

As at the Listing Date, the total authorised share capital of M-FiTEC will comprise 400 000 000 ordinary no par value shares and 2 000 000 Deferred Ordinary Shares of no par value.

On the Listing Date, the issued share capital of M-FiTEC will consist of 7 618 594 ordinary no par value shares and 1 800 000 Deferred Ordinary Shares, while the stated capital of M-FiTEC will amount to R76 187 740. None of the Company's Shares will be held in treasury on the Listing Date.

On the Listing Date, all Shares in issue (other than the Deferred Ordinary Shares) shall rank *pari passu* in all respects, including voting rights and rights in respect of dividends.

Shareholders are advised that their Shares may only be traded on the JSE in dematerialised form. Furthermore, the Shares will be delivered in dematerialised form only. No documents of title will be issued to Shareholders that participate in the Private Placement and accordingly, all Shareholders who hold their Shares in certificated form will have to dematerialise their Shares in order to trade their Shares on the JSE. Such Shareholders must contact their CSDP or broker in order to dematerialise their Shares. CSDP and broker details are obtainable from the JSE (www.jse.co.za) and Strate (www.strate.co.za).

The Directors, whose names are set out in paragraph 8.1 of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained in this Pre-listing Statement and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the Listings Requirements.

All the advisers whose names are included in this Pre-listing Statement have given and have not, prior to publication of this Pre-listing Statement, withdrawn their written consents for the inclusion of their names in the form and context in which they appear.

This Pre-listing Statement does not constitute, envisage or represent an offer to the public, as envisaged in the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company to permit a public offering of the Shares. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute or form part of, and should not be construed as, an advertisement, invitation, solicitation and/or offer to sell, issue, purchase or subscribe for, any shares and/or securities in the Company or any of its subsidiaries in any jurisdiction.

An abridged version of this Pre-listing Statement will be released on SENS on Tuesday, 10 November 2015 and published in the press on Wednesday, 11 November 2015.

**Corporate and Designated Adviser
and Lead Arranger**

Merchantec
capital

Attorneys



**Auditors and Independent Reporting
Accountants**



Date of issue: 10 November 2015

Additional copies of this Pre-listing Statement, in its printed format, may be obtained from the Designated Adviser at the address set out in the "Corporate Information" section on this Pre-listing Statement during normal business hours from Tuesday, 10 November 2015. Copies of this Pre-listing Statement are available in the English language only.

A copy of the Pre-listing Statement will also be available on M-FiTEC'S website: www.m-fitec.com

CORPORATE INFORMATION AND ADVISERS

M FITEC International Limited

(Registration number 2015/294800/06)

Date of incorporation: 19 August 2015

Place of incorporation: South Africa

Company Secretary and registered address of M-FITEC

Acorim Proprietary Limited

Augusta @ Inanda Greens

54 Wierda Road

Sandton, 2196

(PO Box 786521, Sandton, 2146)

Corporate and Designated Adviser and Lead Arranger

Merchantec Proprietary Limited

(Registration number 2008/027362/07)

2nd Floor, North Block

Hyde Park Office Towers

Corner 6th Road and Jan Smuts Avenue

Hyde Park, 2196

(PO Box 41480, Craighall, 2024)

Attorneys

Prinsloo, Tindle & Andropoulos Inc.

1st Floor

17 Fricker Road

Illovo Boulevard

Illovo, 2196

(PO Box 55024, Northlands, 2116)

Auditors and Independent Reporting Accountants

Grant Thornton

(Practice number 903 485)

Wanderers Office Park

52 Corlett Drive

Johannesburg, 2196

(Private Bag X28, Benmore, 2010)

Bankers

Investec Bank Limited

100 Grayston Drive

Sandown

Sandton

2196

Transfer Secretaries and IR Communications Adviser

Singular Systems Proprietary Limited

(Registration number: 2002/001492/07)

Authorised Financial Services Provider (FSP No. 44330)

28 Fort Street

Birnam

Johannesburg, 2196

(PO Box 785261, Sandton 2146)

Escrow Agents

Read Hope Phillips Attorneys

3rd Floor

30 Melrose Boulevard

Melrose Arch

Melrose North

Johannesburg, 2196

(PO Box 61051, Marshalltown, 2107)

Website: www.m-fitec.com

TABLE OF CONTENTS

	Page
Corporate information	Inside front cover
Forward-looking statement disclaimer	2
Important dates and times	3
Definitions and interpretations	4
Pre-listing Statement	8
1. Introduction	8
2. Background	9
3. Information relating to M-FiTEC	10
4. Rationale for listing	13
5. Major Shareholders	13
6. Share capital	14
7. Deferred Ordinary Shares	14
8. Directors	15
9. Exchange Control Regulations	20
10. Financial information	21
11. Material contracts	23
12. Litigation statement	24
13. Corporate Governance	24
14. Company Secretary	24
15. Directors' responsibility statement	24
16. Property acquired or to be acquired or disposed	24
17. Principal immovable property	24
18. Management contracts	25
19. Documents available for inspection	25
Annexure 1 Other directorships	26
Annexure 2 Extract from the Memorandum of Incorporation	29
Annexure 3 King Code and Corporate Governance	33
Annexure 4 Deferred Ordinary Shares	36
Annexure 5 Statement of financial position and statement of changes in equity on incorporation	37
Annexure 6 Independent Reporting Accountants' Report on the financial information of M-FiTEC	39

FORWARD-LOOKING STATEMENT DISCLAIMER

This Pre-listing Statement includes statements about M-FiTEC that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “targets”, “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates and public sector spend and resource allocation.

By their nature, forward-looking statements involve known and unknown uncertainties, assumptions and other important factors, because they relate to events and depend on circumstances that may or may not occur in the future, whether or not outside of the control of M-FiTEC. Such factors may cause M-FiTEC’s actual results, financial and operating conditions, liquidity and the developments within the industry in which M-FiTEC operates to differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-listing Statement. M-FiTEC cautions that forward-looking statements are not guarantees of future performance.

All these forward-looking statements are based on estimates and assumptions made by M-FiTEC, all of which estimates and assumptions, although M-FiTEC believes them to be reasonable, are inherently uncertain. Accordingly, no assurance can be given that any such forward-looking statements will prove to have been correct. Any forward-looking statement made in this Pre-listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of M-FiTEC not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. M-FiTEC has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Pre-listing Statement after the date of this Pre-listing Statement, except as may be required by law or regulation.

IMPORTANT DATES AND TIMES

Abridged Pre-listing Statement published on SENS on	Tuesday, 10 November 2015
Pre-listing Statement published on the Company's website: http://www.m-fitec.com	Tuesday, 10 November 2015
Abridged Pre-listing Statement published in the press on	Wednesday, 11 November 2015
Listing of M-FiTEC as a SPAC at commencement of trade on	Tuesday, 17 November 2015

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS.

DEFINITIONS AND INTERPRETATIONS

In this Pre-listing Statement and the annexures hereto, unless the context otherwise indicates, 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 hereunder have the meaning stated opposite them in the second column, as follows:

“Accenture Future of FinTech and Banking Report”	the report entitled “The Future of FinTech and Banking” prepared by Accenture on 27 March 2015;
“AltX”	the Alternative Exchange of the JSE;
“Board” or “Directors” or “Founder Members”	the board of directors of M-FITEC at the Last Practicable Date whose details are set out in paragraphs 8.1 and 8.2 of this Pre-listing Statement;
“business day”	any day other than a Saturday, Sunday or a gazetted national public holiday in South Africa;
“certificated shares”	shares which are not dematerialised, title to which is represented by physical documents of title;
“Common Monetary Area”	the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“CSDP”	a Central Securities Depository Participant, a participant as defined in section 1 of the Financial Markets Act;
“custody agreement”	the custody mandate agreement between a dematerialised shareholder and a CSDP or broker governing their relationship in respect of dematerialised shares held by the CSDP or broker;
“Deferred Ordinary Shares”	deferred ordinary shares of no par value in the authorised and issued share capital of the Company, which shall: (a) be subscribed for by the Directors only; (b) have those class rights and privileges and be subject to those terms and conditions set out in Annexure 4 of this Pre-listing Statement; and (c) for so long as they remain Deferred Ordinary Shares, not be listed on AltX;
“dematerialised”	the process whereby share certificates, certificated transfer deeds, balance receipts and any other documents of title to shares in a tangible form are dematerialised into electronic records for purposes of incorporation into Strate;
“dematerialised shareholder”	a holder of dematerialised shares;
“dematerialised shares”	shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
“documents of title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of shares;

“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“Emigrant”	a person who has emigrated from South Africa and is residing outside the Common Monetary Area;
“Escrow Agent”	Read Hope Phillips Thomas & Cadman Inc.;
“Escrow Agreement”	the escrow agreement entered into between the Escrow Agent and the Company dated 17 September 2015, which governs, <i>inter alia</i> , the terms on which the capital raised by the Company in terms of the Private Placement is held in escrow and invested in either (i) investment grade bonds; or (ii) bank deposits with a recognised bank, by the Escrow Agent, and the terms of the release of such capital which is to be utilised to cover the Company’s operating expenses, acquire Viable Assets and/or be distributed to Shareholders, as envisaged in the Listings Requirements;
“EV”	enterprise value;
“Exchange Control Regulations”	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“Financial Markets Act”	Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“FinTech”	financial technology;
“IFRS”	International Financial Reporting Standards;
“Independent Reporting Accountants”	Grant Thornton;
“Introduction”	as contemplated by the Listings Requirements, a method of bringing securities to listing not involving an issue or sale of new securities or any marketing of existing issued securities because the spread of the shareholders already complies with the applicable Listings Requirements;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“King Code”	the Code of Corporate Practices and Conduct as set out in the King III Report on Governance for South Africa, 2009;
“Last Practicable Date”	Friday, 30 October 2015, being the last practicable date prior to the finalisation of this Pre-listing Statement;
“Listing”	the listing of the entire issued ordinary share capital of M-FITEC, being 7 618 594 Shares, as a SPAC on the JSE, which is expected to take place on the Listing Date;
“Listing Date”	the proposed date of the Listing which is expected to be on or about Tuesday, 17 November 2015;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“M-FITEC” or “the Company”	M FITEC International Limited (Registration number 2015/294800/06), a public company duly incorporated in accordance with the laws of South Africa and which has no subsidiaries as at the Last Practicable Date and will have no subsidiaries as at the Listing Date;

“Merchantec Capital”	Merchantec Proprietary Limited (Registration Number 2008/027362/07), a private company duly incorporated in accordance with the company laws of South Africa;
“MOI”	the memorandum of incorporation of the Company in force as at the Last Practicable Date;
“non-resident”	a person whose registered address is outside the Common Monetary Area;
“Pre-listing Statement”	this bound document, dated Tuesday, 10 November 2015, including the annexures hereto;
“Private Placement”	the private placement which comprised (i) an offer to institutional Selected Investors; and (ii) an offer to Selected Investors acting as principals, in terms of which 7 618 594 Shares were subscribed for at the Private Placement Subscription Price, (which Shares will be issued in dematerialised form only) and which offer closed on Friday, 30 October 2015 in terms of which the Company raised R76 185 940;
“Private Placement Subscription Price”	R10.00 per Share;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Residual Capital”	the Private Placement proceeds plus accrued interest thereon less: <ul style="list-style-type: none"> – estimated operating expenses as set out in paragraph 10.4 below; and – the cash settlement portion of the acquisition of Viable Assets;
“SARB”	the South African Reserve Bank;
“Selected Investors”	a limited number of specifically selected and invited investors in South Africa to whom the Private Placement was addressed and was only capable of acceptance by such invitation;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholders”	holders of Shares;
“Shares”	ordinary shares of no par value in the authorised and issued share capital of M-FITEC. For the avoidance of doubt, the term Shares shall not include the Deferred Ordinary Shares for so long as those shares remain classified as such;
“South Africa”	the Republic of South Africa;
“SPAC”	a special purpose acquisition company as envisaged in the Listings Requirements, being a special purpose vehicle established to facilitate the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on AltX;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa;
“sub-register”	the record of dematerialised shares administered and maintained by a CSDP and which forms part of the Company’s securities register as defined in the Companies Act, excluding nominees;

“Subscription and Shareholders Agreement”	the subscription and shareholders agreement entered into between each Director and the Company dated on or about 2 September 2015 which governs, <i>inter alia</i> , the terms of subscription by each Director of Shares and Deferred Ordinary Shares;
“subsidiary”	a subsidiary as defined in the Companies Act and/or the Listings Requirements, to the extent applicable;
“Target Acquisition”	a specific potential acquisition of Viable Asset/s that has/have been identified by the Company;
“transfer secretaries”	Singular Systems Proprietary Limited (Registration number 2002/001492/07), a private company duly incorporated in accordance with the laws of South Africa; and
“Viable Asset/s”	asset/s which meet the acquisition criteria set out in paragraph 3.2 of this Pre-listing Statement, that, if acquired will enable M-FITEC to qualify for a listing, other than as a SPAC, pursuant to the listing criteria of AltX.



M FITEC International Limited

Incorporated in the Republic of South Africa
(Registration number 2015/294800/06)
Share code: MFI ISIN: ZAE000209607
("M-FiTEC" or "the Company")

Directors

Executive

Charles Rowlinson (Chief Executive Officer)

Kevin Boyers (Chief Financial Officer)

Gregory Voigt (Chief Investment Officer)

Non-executive

Richard Came (Chairman)*

Robin Frew*

Christopher Lister James*

Sabir Munshi*

Colin Rezek*

Andrew Springate*

*Independent

PRE-LISTING STATEMENT

1. INTRODUCTION

M-FiTEC was formed and incorporated in Johannesburg, South Africa on 19 August 2015, by the Directors as a holding company which will participate in the growth of the FinTech sector, principally in developing market geographies. The Company's business and investment strategies will be managed by the Board. The Board, which includes experienced FinTech executives and finance and private equity professionals, has extensive expertise and knowledge of and experience in investments in the FinTech industry.

The Board intends to position M-FiTEC to:

- pursue viable investment opportunities in the FinTech sector, principally in developing market geographies;
- build a portfolio of profitable technology and services businesses which provide platforms, applications and solutions to both existing and emerging financial institutions; and
- create Shareholder value through both capital appreciation and the payment of annual dividends.

The Directors possess the necessary credibility, reputation, and expertise to raise the requisite funds and execute the appropriate acquisition strategy. They are also endowed with the following key attributes:

- access to proprietary deal flow (through networks and reputation);
- industry knowledge and public company experience; and
- a strong track record of value creation.

While M-FiTEC is currently considering a number of acquisitions, no formal binding agreement/s have been entered into.

In anticipation of the Listing, M-FiTEC has raised R76 185 940 through the Private Placement. The Directors hold, in aggregate, 1.8 million Shares representing an interest of approximately 23.63% of the issued Shares, as set out in paragraph 8.3 below.

M-FiTEC, which will be Listing by way of Introduction, will not raise any additional capital in conjunction with the Listing. However, the Company may raise further capital in anticipation of the consummation of the acquisition of Viable Assets.

2. BACKGROUND

2.1 FinTech companies are technology companies that provide solutions to the traditional and emergent financial services industry and address a vast array of segments, including:

- support, maintenance and provisioning of existing infrastructure like switches, payment gateways, card schemes, ATMs and cash collections;
- payments including mobile payments, wallets, remittances and stored value coupons;
- financial software including risk management, payments, core banking and capital market software, loan origination etc.;
- platforms including peer-to-peer trading, aggregators, asset and wealth management; and
- data analytics and advisory services, including credit reference, credit scoring, insurance data, risk management, fraud detection, compliance and reporting.

The dramatic convergence of digital interaction with financial transactions is disrupting traditional financial services firms and creating new market opportunities for emergent financial services firms. The rapid pace of technological change is forcing traditional financial institutions globally to invest in innovation and to rethink their business models in order to exploit this emerging financial technology.

2.2 The FinTech segment has witnessed dramatic growth and has attracted considerable investment in developed economies. This investment has been occasioned by the following major macro themes:

2.2.1 **Changes in consumers' preferences and behaviour**

New technology, principally in the form of mobile, smart phones and tablets, has created opportunities for consumers to reach beyond what has traditionally been offered by financial service providers. Consumers are more willing to embrace new technology and expect their financial institutions to provide access to these new channels. Increasing demand for self-service, single point access, immediacy and personalisation are required by consumers.

Information transparency, particularly on costs, is becoming more relevant to consumers' decision-making. Peer influence, primarily through the use of social networks, is impacting the decisions of consumers. Customers are less loyal to their financial institutions and are able to switch providers more easily.

The effect of these changes in consumer behaviour means that existing financial service providers have to adapt and modernise their consumer interface to meet these new challenges and are required to invest in these new digital channels. In addition legacy infrastructure needs to be updated to meet new consumer demands.

Notwithstanding this consumer-led pressure on traditional financial institutions, the consumer is also being presented with the convenient provision of financial services by other "non-traditional" service providers such as retailers, telecommunications operators and non-banks in the payment and acquiring sectors.

2.2.2 **Changes in the underlying technology layer**

Dramatic declines in the price of hardware and networking technology mean that traditional high cost barriers to entry are reduced, allowing new innovative players to enter the FinTech space.

The ubiquity of mobile phones and digital connectivity mean consumers are within easy reach all the time and the development of mobile applications is significantly quicker than historic software provisioning models.

Technology changes are rapid and new business models are constantly forming or adapting to these new technologically enabled environments.

2.2.3 Changes in the regulatory environment

The recent global financial crisis caused regulators the world over to usher in new regulations to prescribe the behaviour and conduct of financial institutions. The monitoring and reporting burdens on financial institutions have increased dramatically.

Financial institutions have faced a plethora of new regulatory and compliance requirements that have impacted their ability to operate in the same way that they did historically. This means that new ways of delivering service have to be determined and new systems and processes designed and implemented.

As financial institutions tend to fall into a highly regulated business segment, these institutions increasingly depend on FinTech to resolve and manage their compliance and reporting obligations.

According to the Accenture Future of FinTech and Banking Report, global investment in FinTech has tripled to over \$12 billion in 2014 from \$4.05 billion in 2013 with the flood of new money crossing the space being distributed across both old and new, with a slight bias in favour of more established companies. All analysis and research suggests that the FinTech space is evolving, in some areas faster than others. This has led to large investment flows into start-ups in the developed world and to banks and other financial institutions reviewing their business models and replacing their ageing infrastructure in order to remain relevant.

3. INFORMATION RELATING TO M-FITEC

3.1 Business Strategy

3.1.1 Overview

M-FiTEC aims to build a FinTech group focusing on developing markets through executing Shareholder approved acquisitions in an increasingly attractive investment segment. M-FiTEC seeks to achieve revenue targets of a billion Rand within two years and a billion Dollars within ten years, while keeping with the Company's intended strategy of obtaining a minimum EBITDA margin target of 10% on revenue.

Numerous macro themes support growth in the FinTech sector, particularly in developing markets, including growth in GDP and populations, an emerging middle class, increasingly high mobile phone penetration, growing high-speed internet access, and in Africa, the eagerness of consumers willing to embrace digital and personal finance innovations.

The Board believes that Africa presents important and valuable opportunities in the FinTech sector, and has therefore begun to explore investment opportunities in this regard with the aim of establishing a foothold in the industry.

3.1.2 Strategic business objectives

M-FiTEC intends to pursue a 'buy and build' plan and acquire FinTech investments, either with immediate control or with a path to obtaining a controlling stake over time.

The Board aims to ensure that the aggregated businesses can achieve greater performance as a part of the M-FiTEC group than they would be able to achieve on their own.

M-FiTEC will assist these companies through the creation of market access, scale and capital for growth.

The Board aims to ensure that a culture of trust and mutual respect is fostered between employees, management and Shareholders through its ethical and sustainable approach to business.

The Board aims to create Shareholder value through tight management controls, capital appreciation and annual dividend payments.

The Board, which has a substantial business network across the African Continent, has already identified several Viable Asset acquisition opportunities and which could be completed within the Listings Requirements' prescribed timeframe.

3.2 Acquisition criteria for Viable Assets

M-FiTEC is a FinTech investment holding company focused on acquiring and developing Viable Assets initially in South Africa and sub-Saharan Africa and in larger developing markets.

Combining its commercial and financial skills, the Board will thoroughly assess each opportunity to acquire Viable Assets on its own particular merits with reference to the investment criteria which have been established by the Board.

The acquisition of Viable Assets must be approved by a majority of disinterested directors and by an ordinary resolution of Shareholders in general meeting. The companies that are under consideration must meet the criteria to list on AltX themselves.

Acquisition criteria shall include an assessment of historical performance of the targets, potential future growth as well as the potential for the target to achieve benefits as part of the M-FiTEC group.

The Company shall seek to make sizable anchor investments in either of the major categories of Software and Services, Payments and Platforms followed by numerous smaller bolt-on acquisitions to support anchor purchases down the line. Aside from anchor investments, the Company aims to acquire companies in the R20 million to R200 million EV space.

Anchor investments should ideally have earnings between R20 million and R50 million while bolt-on opportunities will have profits between R2 million and R20 million.

M-FiTEC is not limited to only a single acquisition of Viable Assets but to the extent that the Company undertakes more than one acquisition, these will be completed concurrently within the permitted timeline and subject to the same shareholder vote.

3.2.1 Quantitative factors

- an attractive target return on investment potential of greater than 25% for each acquisition;
- established businesses with revenue and profit history;
- good revenue and profit, with tangible growth potential;
- businesses with referenceable client bases;
- favourable free cash flow generation;
- above industry related gross margins; and
- hard currency revenue potential.

3.2.2 Qualitative factors

- an opportunity to participate in platform growth through consolidation in key target segments;
- owned intellectual property or exclusive distribution relationships with major players in the FinTech industry;
- strong competitive position within the relevant industry and geography;
- business model with potential at scale;
- experienced owner operators and/or strong management team;
- benefits from being part of a public company;
- a strong culture and values fit; and
- cross-selling and synergies potential within the M-FiTEC group.

Acquisitions will be spread initially across sub-Saharan Africa with priority areas being Southern Africa, West Africa and East Africa. In time, the opportunity set will be extended to other developing markets where the industry dynamics are similar.

The acquisition criteria considered by the Company may not be changed unless a resolution is passed at a meeting of Shareholders by achieving a 75% majority of the votes cast to that effect.

3.3 Potential acquisition pipeline

FinTech companies are technology companies that provide services and solutions to the traditional and emergent financial services industry and address a vast array of different segments. M-FiTEC will concentrate its acquisition efforts in three segments, namely:

- **Payments**

Maintenance and provision of existing infrastructure, including switches, payment gateways, card schemes, ATMs, cash collections, mobile payments, wallets, remittances and stored value coupons.

- **Software and Services**

Financial software including risk management, core banking and capital market software, loan origination, data analytics and advisory services, credit reference, credit scoring, insurance data, risk management, fraud detection, compliance and reporting.

- **Platforms**

Financial software including peer-to-peer payment systems, trading platforms, asset, wealth and risk management, core banking and capital market software, loan origination, data analytics and advisory services, credit reference, credit scoring, insurance data, fraud detection, compliance and reporting.

The Company has identified eight possible Target Acquisitions, comprising three potential anchor investments, two connected party opportunities and three bolt-on acquisitions.

3.4 Approval of the acquisition of Viable Assets

In terms of paragraph 4.35 of the Listings Requirements, the acquisition of Viable Assets must be approved by a majority of disinterested Directors and the majority of the Shareholders at a general meeting.

In the event that not all of the capital raised from the Private Placement is utilised for purposes of the acquisition of Viable Assets, Shareholders will be requested to approve a further resolution at the same general meeting dealing with the further use and retention of the Residual Capital after the acquisition of Viable Assets has been approved.

For JSE purposes, subsequent to the completion of the acquisition of Viable Assets, M-FiTEC will be required to meet the criteria for a listing on AltX. Once listed on AltX, M-FiTEC will be subject to the Listings Requirements in all respects. Failure to meet those criteria once the acquisition of Viable Assets has been completed will result in the Company being delisted by the JSE.

In terms of the Listings Requirements and subject to any extension granted by the JSE, should the Company not complete an acquisition of Viable Assets within 24 months of the Listing Date, the JSE will suspend M-FiTEC's Listing as a SPAC on AltX. The JSE will then proceed to delist the Company once the Company has:

- completed a distribution of the funds held in escrow by the Escrow Agent, less outstanding operating expenses, within 60 calendar days after the expiry of the aforementioned 24 month period, to all Shareholders *pro rata* to their shareholdings. Such distribution must comply with the solvency and liquidity test as required pursuant to the Companies Act. All interest earned in escrow will form part of the distribution, excluding any taxes and expenses relating to the distribution and anticipated voluntary liquidation;
- as regards a return of capital, the Deferred Ordinary Shares shall rank equal to the issue price of R0.001 (zero point one cent) per Deferred Ordinary Share after the Shares on a winding up but shall not otherwise be entitled to participate in any assets or surplus assets of the Company whether on a winding-up or any other circumstances; and
- proposed a special resolution to Shareholders, and such resolution has been adopted by the requisite number of Shareholders, for the voluntary liquidation of the Company.

3.5 Dividend Policy

The Directors do not intend to declare any dividends prior to the completion of an acquisition of Viable Assets. Thereafter, subject to section 46 of the Companies Act, the Company will declare and pay dividends to Shareholders as the Directors in their discretion deem fit. Dividends will not be withheld unless the Company is planning to re-invest the available funds into further resource development.

4. RATIONALE FOR LISTING

4.1 Permanent Capital

M-FiTEC has raised sufficient capital to list as a SPAC in order to pursue the acquisition of Viable Assets and may raise further capital once Viable Assets have been identified and a transaction determined. The Board considers the Company's main competitors to be private equity funds, which have mandates to return capital to investors within a defined timeline. Often in growth investing this period is too short to maximise the potential of the business. A listing on a well-regulated exchange eliminates the fixed deadline and rather incentivises management to focus on the true value of an investment and the ability to generate long-term cash flow. Investing and divesting should be driven by maximisation of profitability to the Company, and not by a predetermined mandate specifying a divestment deadline.

4.2 Shares as currency

Listed paper behaves much like currency for the issuer. It creates an additional degree of freedom which allows the Company to utilise shares as consideration for an acquisition. Where an investment into an asset is possible at a price to earnings ratio which is favourable to that of the acquirer, use of the Company's listed shares becomes a cost effective means of investment and therefore has the potential to enhance investor returns.

4.3 Profile

Credibility, transparency, corporate governance and trust are associated with a JSE-listed company. The Board believes that the Company will be in an advantageous position to develop its brand and the brands associated with its future acquisitions.

4.4 Attraction and retention of key staff

The Directors believe that the Company's enhanced profile as a listed company will attract and retain strong, experienced staff and management teams of Target Acquisitions to the M-FiTEC group.

4.5 Attraction to targets

The M-FiTEC vehicle represents an attractive opportunity for targets as it enables flexibility around settlement consideration, is minimally disruptive to the organisation and provides potential capital gains tax rollover relief for share-based settlements.

5. MAJOR SHAREHOLDERS

At the Last Practicable Date, those Shareholders (excluding Directors whose interests are detailed in paragraph 8.3 below) who, insofar as is known to M-FiTEC, directly or indirectly, beneficially hold 5% or more of the issued share capital of M-FiTEC are set out below. The Board is not aware of any pre-existing intention of any major Shareholder to dispose of a material number of their Shares at or immediately after the Listing.

Shareholder	Number of shares	Percentage shareholding (%)
Stanlib Asset Management	1 926 075	25.28
Visio Capital Management	1 502 875	19.73
Praesidium SA Hedge Fund	1 204 711	15.81
Total	4 633 661	60.82

As a result of the Private Placement, there is no single controlling Shareholder of M-FiTEC.

6. SHARE CAPITAL

6.1 Shares of M-FiTEC on Listing

The ordinary share capital of M-FiTEC is set out in the table below.

	R
Authorised	
400 000 000 ordinary Shares of no par value	–
Issued	
7 618 594 ordinary Shares of no par value	76 185 940
Stated capital	76 185 940

M-FiTEC has no treasury shares in issue.

6.2 Deferred Ordinary Shares of M-FiTEC on Listing

The Deferred Ordinary Share capital of M-FiTEC is set out in the table below.

	R
Authorised	
2 000 000 Deferred Ordinary Shares of no par value	–
Issued	
1 800 000 Deferred Ordinary Shares of no par value	1 800
Stated capital	1 800

6.3 Debentures

M-FiTEC does not have any debentures in issue.

6.4 Preferential conversion and/or exchange rights of any securities

There are no preferential conversion and/or exchange rights in respect of any M-FiTEC Shares.

6.5 Other listings

M-FiTEC does not have any other shares listed on any other exchange.

7. DEFERRED ORDINARY SHARES

Each Director has subscribed for and been issued 200 000 Deferred Ordinary Shares at a subscription price of R0.001 per Deferred Ordinary Share, constituting a total of 1 800 000 Deferred Ordinary Shares in issue.

No further Deferred Ordinary Shares shall be issued by the Company.

No voting rights shall attach to the Deferred Ordinary Shares, save only as provided for in section 37(3)(a) of the Companies Act. The Deferred Ordinary Shares shall not be entitled to participate in any profits of the Company and no dividends or any other distributions by the Company shall be declared or paid in respect of the Deferred Ordinary Shares.

The Deferred Ordinary Shares are unlisted and shall not be transferable whether by delivery, registration or otherwise.

On the first business day following the successful completion of an acquisition of Viable Assets, each Deferred Ordinary Share shall forthwith, and without the need for further resolution of the Board or of the Shareholders, be automatically and compulsorily converted once off on a one-for-one basis into, and be re-designated as, a Share, providing what the Board believes to be an effective mechanism of aligning the interests of the Board with that of M-FiTEC's Shareholders.

The rights and privileges of the Deferred Ordinary Shares, as extracted from the MOI of M-FiTEC, are set out in Annexure 4 to this Pre-listing Statement.

The table below reflects the Directors ownership interests prior to the acquisition of Viable Assets and immediately following such acquisition and subsequent conversion of Deferred Ordinary Shares into ordinary shares of M-FiTEC.

	Shares on Listing	Percentage shareholding	Deferred Ordinary Shares	Shares post completion of acquisition of Viable Assets	Percentage shareholding*
Charles Rowlinson	200 000	2.63%	200 000	400 000	4.25%
Kevin Boyers	200 000	2.63%	200 000	400 000	4.25%
Gregory Voigt	200 000	2.63%	200 000	400 000	4.25%
Richard Came	200 000	2.63%	200 000	400 000	4.25%
Robin Frew	200 000	2.63%	200 000	400 000	4.25%
Christopher Lister James	200 000	2.63%	200 000	400 000	4.25%
Sabir Munshi	200 000	2.63%	200 000	400 000	4.25%
Colin Rezek	200 000	2.63%	200 000	400 000	4.25%
Andrew Springate	200 000	2.63%	200 000	400 000	4.25%
Total Directors	1 800 000	23.63%	1 800 000	3 600 000	38.22%
Total shares in issue	7 618 594	100%	1 800 000	9 418 594	100%

* The percentage shareholding post completion of acquisition of Viable Assets above assumes that no Shares will be issued and no additional capital will be raised on the acquisition of Viable Assets which, given the strategic business objectives of the Company, is highly improbable.

8. DIRECTORS

8.1 Details of Directors

The full names, ages and designations of the Directors are as follows:

Name	Age	Designation
Charles Rowlinson	60	Chief Executive Officer
Kevin Boyers	58	Chief Financial Officer
Gregory Voigt	52	Chief Investment Officer
Richard Came	57	Independent Non-executive Chairman
Robin Frew	56	Independent Non-executive Director
Christopher Lister James	55	Independent Non-executive Director
Sabir Munshi	54	Independent Non-executive Director
Colin Rezek	60	Independent Non-executive Director
Andrew Springate	55	Independent Non-executive Director

8.2 Experience of Directors

The qualifications, business addresses, functions in the Company and background of the executive and non-executive Directors of M-FiTEC at the Last Practicable Date are as follows:

Charles Rowlinson (60)

Qualifications: BAcc, MBA, CA(SA)

Business address: Augusta @ Inanda Greens, 54 Wierda Road, Sandton, 2196

Nationality: South African

Function and committees: Chief Executive Officer

Background: Charles is an entrepreneurial executive who has built successful organisations in South Africa and internationally. He was part of an innovative and dedicated team which built Renwick Group, a global group in human resources, recruitment, and consulting over 15 years which merged into the JSE listed group, EDUCOR Limited, where he became Group Chief Executive Officer and Chairman. Over the last 14 years, Charles, and his team, have been focused on developing and launching WIZZIT Payments Proprietary Limited, which today is globally recognised as a pioneer in payments through mobile technology primarily in developing markets.

Kevin Boyers (58)

Qualifications: BCom, BAcc, CA(SA)

Business address: Augusta @ Inanda Greens, 54 Wierda Road, Sandton, 2196

Nationality: South African

Function and committees: Chief Financial Officer

Background: Kevin is the co-founder and Chief Executive Officer of Chartall Business College, a private further education and training (FET) college, and a co-founder and non-executive director of WIZZIT Payments Proprietary Limited. His background includes over 20 years in the accounting profession, where he was a partner at both BDO and Grant Thornton, and six years as Chief Financial Officer of JSE-listed companies. Kevin's strength lies in the strategic financial management of businesses, and he has significant experience in negotiating and implementing mergers and acquisitions.

Gregory Voigt (52)

Qualifications: BCom, BCompt (Hons), CA(SA)

Business address: Augusta @ Inanda Greens, 54 Wierda Road, Sandton, 2196

Nationality: South African

Function and committees: Chief Investment Officer

Background: Greg is a founding partner of Adlevo Capital, a sub-Saharan private equity firm focused on investments into technology enabled businesses. He has 18 years of corporate finance and Private Equity experience with Adlevo Capital, Brait, Capital Partners and Axis Ventures which he founded. Prior to obtaining his private equity experience, he spent six years in business development with Sun International and as a distributor for Sun Microsystems in South Africa. Greg completed his articles at KPMG where he qualified as a Chartered Accountant.

Richard Came (57)

Qualifications:	BA, MBA
Business address:	55 St Patrick Road, Houghton, Johannesburg, 2198
Nationality:	South African
Function and committees:	Independent Non-executive Chairman
Background:	Richard is an information and communications technology (ICT) entrepreneur who has been active in the South African and international markets since the 1980s. Some of his notable ventures include co-founding Dimension Data, Dark Fibre Africa and the Protocol and Archway Venture Partner venture capital funds. He is a director of former JSE-listed Prism Payment Technologies Limited and the Chairman and a shareholder of the Tradebridge Group, which supplies value-added transaction switching solutions. He is also an active investor in a number of other IT and telecommunications companies.

Robin Frew (56)

Qualifications:	B.Bus Sci, B.Compt (Hons)
Business address:	42 Main Road, Lakeside, Cape Town, 7945
Nationality:	South African
Function and committees:	Independent Non-executive Director, Member of the Remuneration Committee
Background:	Robin currently serves as a Non-executive director and Chairman of the Remuneration Committee on the Board of Mix Telematics Limited, a company listed on both the JSE and NYSE, and of which he is a co-founding shareholder. He is also a Non-executive director and co-founding shareholder of PAYM8 Proprietary Limited, a company which specialises in providing m-Commerce, e-Commerce, Financial Collections and Payment Gateway Services. Robin is also currently a Non-executive director of WIZZIT Payments Proprietary Limited, which today is globally recognised as a pioneer in payments through mobile technology primarily in developing markets. Robin has served on the boards of many companies in both an executive and non-executive capacity.

Christopher Lister James (55)

Qualifications:	BCom, HDip Acc, HDip Tax, CA(SA)
Business address:	Ground Floor, Unit 9B, 3 Melrose Boulevard, Melrose Arch, 2076
Nationality:	South African
Function and committees:	Independent Non-executive Director, Chairman of the Audit and Risk Committee, Member of the Remuneration Committee
Background:	Chris is a director and co-founder of Vantage Capital and brings a wealth of experience in financial management and investment banking, particularly in structured finance and private equity fund management. His experience includes successful roles at Vantage Capital and Real Africa Durolink Investment Bank Limited (RAD) where he established and managed the technology funds.

Sabir Munshi (54)

Qualifications:	BSc (Computer Science)
Business address:	29 Seventh Street, Houghton Estate, 2198
Nationality:	South African
Function and committees:	Independent Non-executive Director, Member of the Audit and Risk Committee, Chairman of the Remuneration Committee
Background:	Sabir was until recently Chief Information Officer, and member of the Management Board, with overall accountability for IT strategy and execution for the Rand Merchant Bank Group. His work experience includes management consulting with Accenture, specialising in business and information technology to the financial services industry both locally and abroad. He has served in leadership positions within a number of banking and finance groups including FirstCorp, First National Bank (FNB) and Sanlam Capital Markets (SCM).

Colin Rezek (60)

Qualifications:	BCom, MBA
Business address:	Ground Floor, Unit 9B, 3 Melrose Boulevard, Melrose Arch, 2076
Nationality:	South African
Function and committees:	Independent Non-executive Director
Background:	Colin is a director and co-founder of Vantage Capital. He has had a wide range of entrepreneurial experiences including building and running a family business which grew to become the largest privately-owned motor group in South Africa at the time. Colin assisted in the establishment and management of the Equity Africa Fund and subsequently MMR Equity Capital Proprietary Limited, a Private Equity management company, which, after a merger in 2001, was the genesis of the Vantage Capital group.

Andrew Springate (55)

Qualifications:	Matric
Business address:	18 Thornhill Office Park, Bekker Road, Midrand, Johannesburg, 1685
Nationality:	South African
Function and committees:	Independent Non-executive Director, Member of the Audit and Risk Committee
Background:	Andrew has held the position of Chief Executive Officer for PAYM8 Proprietary Limited for the past 8 years. Andrew has many years of business experience having held such positions as director of Shave & Gibson Africard Proprietary Limited and Managing Director of Infopage Proprietary Limited in Perth, Western Australia. In 1995, Andrew joined the Radiospoor group as Chief Executive Officer of the cellular division. He was subsequently promoted to Chief Operating Officer for the group, responsible for seven divisions.

The Directors will regularly assess the management of M-FiTEC and may, to the extent deemed in the best interests of the Company, elect to procure additional persons with the necessary skills and expertise to suitably ensure the growth of M-FiTEC and the effective management of the Viable Assets.

8.3 Directors' interests in securities

At the Last Practicable Date, the Directors held, directly or indirectly, an aggregate beneficial interest in 1 800 000 Shares, representing 23.63% of the total issued share capital of the Company as set out in the table below.

Director	Beneficial		Total Shares	Total %
	Direct	Indirect		
Charles Rowlinson	200 000	–	200 000	2.63
Kevin Boyers	200 000	–	200 000	2.63
Gregory Voigt	200 000	–	200 000	2.63
Richard Came	200 000	–	200 000	2.63
Robin Frew	200 000	–	200 000	2.63
Christopher Lister James	200 000	–	200 000	2.63
Sabir Munshi	200 000	–	200 000	2.63
Colin Rezek	200 000	–	200 000	2.63
Andrew Springate	200 000	–	200 000	2.63
Total	1 800 000	–	1 800 000	23.63

The Directors' interests in securities which are set out in the table above ("**Directors' Shares**") were subscribed for by each of the abovementioned Directors ("**Subscribing Directors**") at the Private Placement Subscription Price in terms of the Private Placement and are held in custody by Grant Thornton, the Company's auditors, in accordance with the Listings Requirements, as envisaged below.

The holding of the Directors' Shares in custody by Grant Thornton is governed by the Subscription and Shareholders Agreement, in terms of which, *inter alia*:

- Grant Thornton shall retain the Directors' Shares and the Deferred Ordinary Shares in trust for the duration of the period commencing on the signature date of the Subscription and Shareholders Agreement and terminating on the first business day following the first anniversary of an acquisition of Viable Assets by the Company ("**Lock-in Period**"); and
- the Subscribing Directors shall not be entitled to dispose of the Directors' Shares for the duration of the Lock-in Period.

8.4 Associates' interests in securities

At the Last Practicable Date, as far as the Board is aware, no associates of Directors held or controlled any shares in the issued share capital of M-FiTEC.

8.5 Directors' interests in transactions

None of the Directors has had any beneficial interest, directly or indirectly, in any transactions effected by M-FiTEC during the current or preceding financial year or during any earlier financial year which remains unperformed in any respect.

8.6 Appointment and remuneration

The relevant provisions of the MOI, which provide for the appointment, qualification and remuneration of its Directors, are set out in Annexure 2 to this Pre-listing Statement.

8.7 Directors' service contracts

There are no service contracts currently in place for any of the Directors.

8.8 Directors Declaration

Each of the Directors, and the Company Secretary, have confirmed that they have not been involved in, and is not subject to, any:

- bankruptcies, insolvencies or individual voluntary compromise arrangement;
- any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company where the Director is or was a director with an executive function at the time of any such event or within the preceding 12 months other than;
 - Robin Frew, who was a director of Umlimi Holdings Proprietary Limited and Radiospoor Telecommunications Proprietary Limited which were placed in liquidation; and
 - Andrew Springate, who was a director of Radiospoor Telecommunications Proprietary Limited which was placed in liquidation;
- compulsory liquidations, administrations, partnership voluntary arrangements of any partnership where the Director was a partner at the time of such arrangements or within the preceding 12 months;
- receiverships of any asset/s of such person or of a partnership of which the individual is or was a partner at the time thereof or within the preceding 12 months;
- public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company;
- offence involving dishonesty;
- removal from an office of trust, on the grounds of misconduct, involving dishonesty; or
- any order granted by a court declaring the person delinquent or placing the person under probation in terms of Section 162 of the Companies Act and/or Section 47 of the Close Corporations Act, 1984 (Act 69 of 1984) or if the person was disqualified by a court to act as a director in terms of Section 219 of the Companies Act, 1973 (Act 61 of 1973).

9. EXCHANGE CONTROL REGULATIONS

The information set out below is a general summary of the current position with regard to exchange control regulation and is not comprehensive and is merely intended to be used as a guideline. Persons who are uncertain as to the position in any particular case should consult their independent professional advisors. Please note M-FiTEC is not responsible for obtaining any consents required by an investor in order to subscribe for, buy or sell Shares.

9.1 Emigrants from the Common Monetary Area

- 9.1.1 A former resident of the Common Monetary Area who has emigrated from South Africa may use emigrant blocked funds to subscribe for Shares.
- 9.1.2 All payments in respect of Shares acquired by emigrants using emigrant blocked funds must be made through an authorised dealer in foreign exchange controlling the emigrant's blocked assets.
- 9.1.3 Any Shares issued pursuant to the use of emigrant blocked funds will be credited to investors' blocked accounts at the CSDP controlling their blocked portfolios.
- 9.1.4 Any Shares subsequently rematerialized and issued in certificated form will be endorsed "non-resident" in accordance with the Exchange Control Regulations. Share certificates will be placed under the control of the authorised dealer controlling the emigrant's blocked accounts.
- 9.1.5 If applicable, monies payable in respect of unsuccessful applications for Shares, emanating from emigrant blocked accounts, will be returned, in terms of the Exchange Control Regulations, to the authorised dealer administering such emigrant blocked accounts for credit of such applicants' emigrant blocked accounts.

9.2 Residents outside the Common Monetary Area

9.2.1 A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or other legal consent is required and/or whether any other formality must be observed to be able to acquire Shares.

9.2.2 Applicants resident outside the Common Monetary Area should note that, where shares are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed "Non-Resident" in terms of the Exchange Control Regulations.

10. FINANCIAL INFORMATION

10.1 Statement of financial position, statement of changes in equity and Independent Reporting Accountants' report

As the Company is recently incorporated and has not completed a financial period, M-FiTEC's statement of financial position and statement of changes in equity (on incorporation) are set out in Annexure 5 to this Pre-listing Statement. The Independent Reporting Accountant's report thereon is set out in Annexure 6 to this Pre-listing Statement.

The Independent Reporting Accountants have consented to the inclusion of their report in this Pre-listing Statement and have not withdrawn that consent.

10.2 Pre-Listing costs

The total estimated pre-Listing costs, which amount to approximately R376 000 including VAT, are detailed in the table below:

Nature of cost	Estimated amount (R'000)
Corporate and Designated Adviser fee	90
Tax specialists	90
Other	150
VAT	46
Total	376

10.3 Listing costs

The total estimated costs of the Listing, which amount to approximately R3 272 000 including VAT, are detailed in the table below:

Nature of cost	Estimated amount (R'000)
Corporate and Designated Adviser fee	1 000
Capital raising fee (Including Escrow Agents)	750
Legal fees	350
JSE documentation fee	60
JSE Listing fee	30
Transfer Secretaries, Strate and Exchange Control fees	50
Other	300
Printing, publication and distribution	200
Contingency	130
VAT	402
Total	3 272

10.4 Estimated operating expenses

The estimated operating expenses, including VAT that will be incurred by the Company for the periods ending 31 March 2016, 31 March 2017 and 31 October 2017 are as follows:

	Mar – 2016 5 Months	Mar – 2017 12 Months	Oct – 2017 7 Months
Operating expenses	R'000	R'000	R'000
Pre-Listing costs	376	-	-
Listing costs	3 272	-	-
Designated Adviser	75	180	126
Professional Advisors	210	480	294
Rent, utilities and infrastructure	100	240	154
Employee salaries	375	900	525
Travel	100	240	140
Transaction costs ¹	-	-	2 500
Other	120	288	168
VAT	85	200	123
Total	4 713	2 528	4 030

1. Should the Company conclude an acquisition of Viable Assets in the period ending 31 March 2016 or 31 March 2017, the aforementioned transaction costs of R2.5 million, which include VAT, associated due diligence costs and transaction expenses, will be utilised in such period.

10.5 Borrowings and loans receivable

10.5.1 Loans to Directors

As at the Last Practicable Date, no loans have been made or security furnished by M-FiTEC to or for the benefit of any Director, manager or any associate of a Director or manager of the Company.

10.5.2 Material loans

As at the Last Practicable Date, no material loans have been made to M-FiTEC.

10.5.3 Material commitments, lease payments and contingent liabilities

As at the Last Practicable Date, the Company did not have any material capital commitments or contingent liabilities.

10.5.4 Loans receivable

As at the Last Practicable Date, the Company had no material loans receivable.

10.6 Amounts paid to promoters, brokerages and commissions

Since the incorporation of M-FiTEC:

- other than those amounts reflected in paragraphs 10.2, 10.3 and 10.4 above, no amounts have been paid to any promoter, partnership, syndicate or other association;
- no Director, or any partnership, syndicate or any other association of which he is a member, or any of his associates, has been paid to induce him, or qualify him to become a Director, or for the promotion of M-FiTEC;
- no amount has been paid to any underwriter; and
- no commissions, discounts or brokerages were paid, or any special terms granted, to any person in connection with the issue or sale of any M-FiTEC Shares.

No royalties or items of a similar nature were paid or payable by M-FiTEC.

10.7 Escrow account

The capital raised by way of the Private Placement has been paid into the trust account of the Escrow Agent other than an amount that will be used to cover the operating expenses in accordance with paragraph 4.36(c)(i) of the Listings Requirements. As contemplated in paragraph 4.36(b) of the

Listings Requirements and the Escrow Agreement, the Escrow Agent has, upon the requisite and lawful instruction of the Company, transferred the capital raised by the Private Placement into an interest bearing account for the benefit of the Company ("**Escrow Account**").

As contemplated in paragraph 4.36(b) of the Listings Requirements and the Escrow Agreement, the Escrow Agent must invest the capital in escrow in:

- investment grade bonds (being debt securities with a rating of "BBB" or above as rated by Standard and Poor's Corporation or an equivalent rating by any similar institution); or
- bank deposits with a recognised bank.

The interest earned on the capital held in escrow shall accrue in favour of the Company and shall accumulate in escrow.

10.8 Working capital

The Directors are of the opinion that, following the proposed Listing, as set out in this Pre-listing Statement:

- M-FiTEC will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of this Pre-listing Statement;
- the assets of M-FiTEC will be in excess of the liabilities of M-FiTEC for a period of 12 months after the date of this Pre-listing Statement;
- the share capital and reserves of M-FiTEC will be adequate for ordinary business purposes for a period of 12 months after the date of this Pre-listing Statement; and
- the working capital of M-FiTEC will be adequate for ordinary business purposes for a period of 12 months after the date of this Pre-listing Statement.

10.9 Government protection and investment encouragement law

As at the Last Practicable Date, the Company is not the recipient or beneficiary of any government protection or investment encouragement law affecting the Company.

10.10 Report as to no previous financial statements

From the date of incorporation of the Company (being 19 August 2015) to the date of issue of this Pre-listing Statement (10 November 2015), other than costs incurred in respect of the Listing identified in paragraphs 10.2 and 10.3 above and the capital raised on Listing, there have been no material changes in the financial and trading position or the assets and liabilities of the Company or any company within the M-FiTEC group, and the Company has not prepared any annual financial statements or interim reports.

10.11 Inter-company financial and other transactions

The Company has not entered into any inter-company financial and other transactions. In addition, the Company does not, and on the Listing Date will not, have any subsidiaries.

11 MATERIAL CONTRACTS

11.1 Save for the Escrow Agreement contemplated in paragraph 11.2 below and the Subscription and Shareholders Agreement, as at the Last Practicable Date, M-FiTEC has not entered into any material contracts, including a restrictive funding arrangement and/or a contract entered into (whether verbally or in writing) otherwise than in the ordinary course of business carried on, or proposed to be carried on, by M-FiTEC within two years prior to the Last Practicable Date, or entered into at any time and containing an obligation or settlement that is material to M-FiTEC.

11.2 The salient terms of the Escrow Agreement are set out below:

11.2.1 the Escrow Agent shall, at the request of the Board, release such amount of capital held in escrow to cover the estimated operating expenses set out in paragraph 10.4 of this Pre-listing Statement. These operating expenses may not be exceeded (and the Escrow Agent may not release further capital), unless a resolution authorising same is passed by Shareholders in general meeting achieving at least a 75% majority of the votes cast thereon;

- 11.2.2 the Escrow Agent shall release the balance or portion of the capital to M-FiTEC once the Company receives approval from a majority of disinterested Directors and a majority of Shareholders in general meeting for the acquisition of Viable Assets, in accordance with the Listings Requirements;
- 11.2.3 M-FiTEC is entitled to terminate the Escrow Agreement by delivering written notice to the Escrow Agent, which notice shall include the instructions of the Company pertaining to the distribution of: (i) the Residual Capital held in escrow where, following Shareholder approval in general meeting of the acquisition of Viable Assets, a resolution proposing the further use and retention of the balance of such capital after such acquisition is not approved; or (ii) the capital held in escrow where the Company has not acquired Viable Assets within 24 months of the Listing Date; and
- 11.2.4 the Escrow Agent may resign its position and be discharged from its duties under the Escrow Agreement by delivering written notice to the Company. In such event, the Company shall issue written instructions to the Escrow Agent pertaining to the capital held in escrow and the interest earned on such capital and accrued thereon and enter into a new escrow agreement.

12 LITIGATION STATEMENT

There are no legal or arbitration proceedings, pending or threatened, of which M-FiTEC is aware, that may have or have had, in the 12 month period preceding the Last Practicable Date, a material effect on the financial position of the Company.

13 CORPORATE GOVERNANCE

M-FiTEC's approach to corporate governance, in compliance with the Listings Requirements applicable to SPACs, and its application of the principles of Chapter 2 of the King Code on corporate governance are set out in Annexure 3 to this Pre-listing Statement.

14 COMPANY SECRETARY

Acorim Proprietary Limited ("**Acorim**"), is the appointed Company Secretary of M-FiTEC. Acorim advises both listed and non-listed clients in accordance with the Companies Act, Listings Requirements and King III recommendations. The Board is satisfied that Acorim has the required knowledge, skills and discipline to perform the functions and duties of the Company Secretary.

The Board has concluded that Acorim maintains an arms-length relationship with the Company and its Board. Acorim is not a Director of the Company, nor does it have any other interests or relations that may affect independence. In making this assessment the Board considered the independence of Acorim's directors, shareholders and employees as well as Acorim's collective qualifications and track record.

15 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 8.1 above have read and understood the contents of this Pre-listing Statement and, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Pre-listing Statement contains all information required by law and the Listings Requirements.

16 PROPERTY ACQUIRED OR TO BE ACQUIRED OR DISPOSED

M-FiTEC has neither made any material acquisitions nor disposed of any material property since its incorporation.

17 PRINCIPAL IMMOVABLE PROPERTY

M-FiTEC does not own or hire any immovable property.

18 **MANAGEMENT CONTRACTS**

Save in respect of the appointment of the Company Secretary, neither the business of the Company nor any part thereof, is managed or is proposed to be managed by a third party under a contract.

19 **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection at the registered office of the Company and at the office of the Designated Adviser at the addresses set out in the "Corporate Information" section of the Pre-listing Statement, during normal business hours from Tuesday, 10 November 2015:

- the MOI of the Company;
- the written consents of the Corporate and Designated Adviser and Lead Arranger, the Attorneys and the Auditors and Independent Reporting Accountants to the publication of their names in the form and context in which they appear in this Pre-listing Statement;
- a signed copy of this Pre-listing Statement;
- the Escrow Agreement; and
- the Subscription and Shareholders Agreement.

SIGNED ON BEHALF OF THE BOARD

Kevin Boyers

Chief Financial Officer

10 November 2015

OTHER DIRECTORSHIPS

The companies and partnerships to which the Directors have been a director or partner at any time in the previous five years are set out in the table below.

Director	Directorships / Memberships	Designation	Active / Not active
Executive			
Charles Rowlinson	Wizzit Group (Pty) Ltd	Executive	Active
	Wizzit Payments (Pty) Ltd	Executive	Active
	Wizzit International (Pty) Ltd	Executive	Active
	Wizzit Bank (Pty) Ltd	Executive	Active
	Wizzit Financial Services (Pty) Ltd	Executive	Active
Kevin Boyers	Wizzit Group (Pty) Ltd	Non-executive	Active
	Wizzit Payments (Pty) Ltd	Non-executive	Active
	Wizzit International (Pty) Ltd	Non-executive	Active
	Wizzit Financial Services (Pty) Ltd	Non-executive	Active
	Chartall Business College (Pty) Ltd	Executive	Active
	UNI Education Group (Pty) Ltd	Executive	Active
	UNI College (Pty) Ltd	Executive	Not active
	Learnsys CC	Executive	Active
Prior Learning Centre (Pty) Ltd	Executive	Not active	
Gregory Voigt	Clear Distinction Communications (Pty) Ltd	Non-executive	Active
	Rancard Kenya Limited	Non-executive	Not active
Non-executive			
Richard Came	Vumatel (Pty) Ltd	Non-executive	Active
	Clyrobuzz (Pty) Ltd	Non-executive	Active
	Crimsonwing Investments (Pty) Ltd	Non-executive	Active
	Tradebridge (Pty) Ltd	Non-executive	Active
	Desaru Properties (Pty) Ltd	Non-executive	Active
	Falchion Trading (Pty) Ltd	Non-executive	Active
	Debt Control Management (Pty) Ltd	Non-executive	Active
	Central Lake Trading (Pty) Ltd	Non-executive	Active
	National Payment distribution Agency (Pty) Ltd	Non-executive	Active
	Shared Leopard Creek Investments No 2 (Pty) Ltd	Non-executive	Active
	Evening Star Trading 160 (Pty) Ltd	Non-executive	Active
	CIV Power (Pty) Ltd	Non-executive	Active
	San Lameer 17 Property (Pty) Ltd	Non-executive	Active
	Community Investment Ventures Holdings (Pty) Ltd	Non-executive	Active
	Fibre to the Home council Africa (Pty) Ltd	Non-executive	Active
	FO Association Africa (Pty) Ltd	Non-executive	Active
	FTTH Investments (Pty) Ltd	Non-executive	Active
	Eagle Valley Properties 158 (Pty) Ltd	Non-executive	Active
	Clinco No 8 (Pty) Ltd	Non-executive	Active
	Business Venture Investments No 546 (Pty) Ltd	Non-executive	Active

Director	Directorships / Memberships	Designation	Active / Not active
Robin Frew	Wizzit Group (Pty) Ltd	Non-executive	Active
	Paym8 (Pty) Ltd	Non-executive	Active
	Wizzit Payments (Pty) Ltd	Non-executive	Active
	Flummox (Pty) Ltd	Non-executive	Active
	Kovacs Investments 863 (Pty) Ltd	Non-executive	Active
	Masalini Properties (Pty) Ltd	Non-executive	Active
	Mix Telematics Ltd	Non-executive	Active
	Swartberg Private Wildlife Estate Land Owners Association (Pty) Ltd	Non-executive	Active
	Thynk Capital (Pty) Ltd	Non-executive	Active
	Thynk Property Investments (Pty) Ltd	Non-executive	Active
	Thynk Retail One (Pty) Ltd	Non-executive	Active
	TPF Investments (Pty) Ltd	Non-executive	Active
	Hymax SA (Pty) Ltd	Non-executive	Active
	Masalini Capital (Pty) Ltd	Non-executive	Active
	Masalini Investments No 3 (Pty) Ltd	Non-executive	Active
	Radiospor Management Services (Pty) Ltd	Non-executive	Active
	Text Trading 193 (Pty) Ltd	Non-executive	Active
	Text Trading 195 (Pty) Ltd	Non-executive	Active
	Text Trading 196 (Pty) Ltd	Non-executive	Active
	Text Trading 198 (Pty) Ltd	Non-executive	Active
Christopher Lister James	Albimix (Pty) Ltd	Non-executive	Active
	Aquitech Technology Holdings (Pty) Ltd	Non-executive	Active
	Biprops 41 (Pty) Ltd	Non-executive	Active
	DC Partner (Pty) Ltd	Non-executive	Active
	Debt wise solutions (Pty) Ltd	Non-executive	Active
	E4 Collections (Pty) Ltd	Non-executive	Active
	E4 Holdings (Pty) Ltd	Non-executive	Active
	E4 Legal Studio (Pty) Ltd	Non-executive	Not active
	E4 Strategic (Pty) Ltd	Non-executive	Active
	Ensemble Trading 113	Non-executive	Non active
	Fortress Income Fund Ltd	Non-executive	Active
	Gemini Moon Trading (Pty) Ltd	Non-executive	Non active
	Gowrie Farm Homeowners Association	Non-executive	Not active
	Jasco Energy and Industry Solutions	Non-executive	Not active
	Junior Achievement South Africa NPC	Non-executive	Active
	Moonrock Technology Holdings	Non-executive	Active
	Peoples Pies CC	Non-executive	Active
	Vantage Capital Albimix Investments	Non-executive	Active
	Vantage Capital Comcorp Investments	Non-executive	Active
	Vantage Capital Fund Managers	Non-executive	Not active
	Vantage Capital Incwala Investments	Non-executive	Not active
	Vantage Capital Investments	Non-executive	Not active
	Vantage Capital Investments 2	Non-executive	Active
	Vantage Capital Investments III	Non-executive	Active
	Vantage Capital Investments IV	Non-executive	Active
	Vantage Mezzanine Fund II	Non-executive	Active
	Vantage Mezzanine Fund III	Non-executive	Active
	Vantage Mezzanine Fund IIII USD	Non-executive	Active
	Vantage Trustees	Non-executive	Active
	Vox Telecom Ltd	Non-executive	Active

Director	Directorships / Memberships	Designation	Active / Not active
Sabir Munshi	Higain Investments (Pty) Ltd	Non-executive	Active
	Lunar Capital Holdings (Pty) Ltd	Non-executive	Active
	Lunar Capital Investments(Pty) Ltd	Non-executive	Active
	Lunar Capital Investments II (Pty) Ltd	Non-executive	Active
Colin Rezek	Enniskerry Investments	Non-executive	Active
	Rasp Investments	Non-executive	Active
	Board Syndicate One	Non-executive	Active
	Lyncol Investments	Non-executive	Active
	Kilkeel Investments	Non-executive	Active
	Rezek Properties (Vaal)	Non-executive	Active
	MMR Equity Capital	Non-executive	Active
	Vantage Capital Fund Managers	Non-executive	Active
	Vantage Co-Investments	Non-executive	Active
	Vantage Capital Group	Non-executive	Active
	Vantage Mezzanine	Non-executive	Active
	Vantage Capital Sponsors	Non-executive	Active
	Vantage Capital Investments III	Non-executive	Active
	Vantage Capital Kwikspace Investments	Non-executive	Active
	Vantage Debt Capital Markets	Non-executive	Active
	Vantage Capital Properties 1	Non-executive	Active
	Vantage Mezzanine III	Non-executive	Active
Vantage Capital Investments IV	Non-executive	Active	
Vantage Capital Properties II	Non-executive	Active	
Andrew Springate	Paym8 (Pty) Ltd	Executive	Active

EXTRACT FROM THE MEMORANDUM OF INCORPORATION

Extracts from the MOI of M-FiTEC are set out below. A copy of the complete MOI is available for inspection at M-FiTEC's registered office.

For the purpose of this Annexure 2 "Act" refers to the Companies Act, 2008 (Act 71 of 2008), as amended, consolidated or re-enacted from time to time and includes all schedules to such Act and the Regulations. A reference to a section by number refers to the corresponding section of the Act, notwithstanding the renumbering of such section after the date on which the Company is incorporated. A reference to a clause by number refers to a corresponding provision of the MOI.

6 ISSUE OF SHARES AND VARIATION OF RIGHTS

- 6.1 The Company is authorised to issue –
- 6.1.1 400 000 000 (four hundred million) ordinary Shares, of the same class, each of which ranks *pari passu* in respect of all rights; and
 - 6.1.2 2 000 000 (two million) Deferred ordinary Shares, ranking *pari passu* among themselves in respect of all rights.
- 6.2 Each ordinary share entitles the holder to –
- 6.2.1 vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a poll;
 - 6.2.2 participate proportionally in any distribution made by the Company; and
 - 6.2.3 receive proportionally the net assets of the Company upon its liquidation.
- 6.3 The rights and conditions attached to the Deferred Ordinary Shares is set out in Schedule 1.
- 6.4 The Board shall not have the power to –
- 6.4.1 increase or decrease the number of authorised Shares of any class of the Company's Shares; or
 - 6.4.2 consolidate and reduce the number of the Company's issued and authorised Shares of any class; or
 - 6.4.3 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital; or
 - 6.4.4 reclassify any classified Shares that have been authorised but not issued; or
 - 6.4.5 classify any unclassified Shares that have been authorised but not issued; or
 - 6.4.6 determine or vary the preferences, rights, limitations or other terms of any Shares; or
 - 6.4.7 convert one class of Securities into one or more classes of Shares; or
 - 6.4.8 create any class of Shares,
- and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution.
- 6.5 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 20.2.
- 6.6 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with

the JSE Listings Requirements, and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting.

- 6.7 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).
- 6.8 No further securities ranking in priority to, or *pari passu* with, existing preference shares, of any class, shall be created without a special resolution being passed at a separate general meeting of such preference shareholders.
- 6.9 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.10 The Board may, subject to clause 6.14 and the further provisions of this clause 6.10, resolve to issue Shares of the Company at any time, but –
 - 6.10.1 only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and
 - 6.10.2 only to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting.
- 6.11 All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.
- 6.12 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5), but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.
- 6.13 Subject to what may be authorised by the Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 6.15, and subject to clause 6.14, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders 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.
- 6.14 Notwithstanding the provisions of clauses 6.4, 6.10, 6.13 and 6.15, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 6.15 Notwithstanding the provisions of clause 6.13, the Shareholders in general meeting may authorise the Directors to issue unissued Shares and/or grant options to subscribe for unissued Shares as the Directors in their discretion think fit, provided that such transaction(s) has/(have) been approved by the JSE and complies(y) with the JSE Listings Requirements.
- 6.16 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

22 SHAREHOLDERS' RESOLUTIONS

- 22.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution, as provided in section 65(7).
- 22.2 For a special resolution to be approved it must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution, as provided in section 65(9).
- 22.3 No matters, except –
- 22.3.1 those matters set out in section 65(11); or
 - 22.3.2 the proposed change of the name of the Company; or
 - 22.3.3 any other matter required by the Act to be resolved by means of a special resolution; or
 - 22.3.4 for so long as the Company's securities are listed on the JSE, any other matter required by the JSE Listings Requirements to be resolved by means of a special resolution,
- require a special resolution adopted at a Shareholders' meeting of the Company.
- 22.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.

23 SHAREHOLDERS ACTING OTHER THAN AT A MEETING

- 23.1 In accordance with the provisions of section 60, but subject to clause 23.4, a resolution that could be voted on at a Shareholders' meeting (other than in respect of the election of Directors) may instead be –
- 23.1.1 submitted by the Board for consideration to the Shareholders entitled to exercise the voting rights in relation to the resolution; and
 - 23.1.2 voted on in writing by such Shareholders within a period of 20 (twenty) business days after the resolution was submitted to them.
- 23.2 A resolution contemplated in clause 23.1 –
- 23.2.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted Shareholders' meeting; and
 - 23.2.2 if adopted, will have the same effect as if it had been approved by voting at a meeting.
- 23.3 Within 10 (ten) business days after adopting a resolution in accordance with the procedures provided in this clause 23, the Company shall deliver a statement describing the results of the vote, consent process, or election to every Shareholder who was entitled to vote on or consent to the resolution.
- 23.4 The provisions of this clause 23 shall not apply to the passing of any resolution in terms of clause 24.2 or to any annual general meeting of the Company.

24 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

- 24.14 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 24.15 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

26 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

- 26.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.
- 26.2 Any Director who -
- 26.2.1 serves on any executive or other committee; or
 - 26.2.2 devotes special attention to the business of the Company; or
 - 26.2.3 goes or resides outside the Republic for the purpose of the Company; or
 - 26.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,
may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.
- 26.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with -
- 26.3.1 the business of the Company; and
 - 26.3.2 attending meetings of the Directors or of committees of the Directors of the Company.
- 26.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

KING CODE AND CORPORATE GOVERNANCE

The Board, in its capacity as custodian of the Company's corporate governance, is committed to upholding the principles of responsibility, accountability, fairness and transparency enunciated in the King Code.

In accordance with the Listings Requirements for AltX-listed companies, M-FiTEC has applied the principles set out in Chapter 2 of the King Code (Role and Function of the Board) as set out in the table below.

No.	Area	Requirement	Status	Comments	
1. Boards and directors					
1.	Role and Function of the board	2.1	The board should act as the focal point for and custodian of corporate governance	Applied	The Directors are aware of their fiduciary duties and the Board as a whole is responsible for effective corporate governance.
2.		2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	Applied	All financial and non-financial matters are considered by the Board when developing and implementing Company strategy.
3.		2.3	The board should provide effective leadership based on an ethical foundation	Applied	Ethics form an integral part of the values of the Company and the Board.
4.		2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	Applied	Through compliance with all environmental legislation, the Board ensures that the Company is a responsible corporate citizen.
5.		2.5	The board should ensure that the company's ethics are managed effectively	To be applied	The Board shall appoint a Social and Ethics Committee in compliance with Companies Regulation 43(i) post Listing.
6.		2.6	The board should ensure that the company has an effective and independent audit committee	To be applied	The Audit and Risk Committee consists of three independent non-executive directors, all of whom have the necessary experience and skills to serve on such committee. The Audit and Risk Committee has satisfied itself as to the appropriateness of the expertise and experience of the Financial Director.
7.		2.7	The board should be responsible for the governance of risk	Applied	Refer to 2.6.
8.		2.8	The board should be responsible for information technology (IT) governance	Applied	The Board as a whole is responsible for information technology (IT) governance.
9.		2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied	Compliance with all regulatory frameworks and legislation forms part of the values of the Company.

No.	Area	Requirement	Status	Comments	
1. Boards and directors					
10.		2.10	The board should ensure that there is an effective risk-based internal audit	Explain	As the Company is newly incorporated, the Company has not performed an internal audit. The Board will ensure that an effective risk-based internal audit, overseen by the Audit and Risk Committee, is performed once operations commence.
11.		2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	Applied	Constant enhancement of the reputation of the Company through the monitoring of stakeholder perceptions forms part of the values of the Company. The Board will ensure transparent and effective communication with stakeholders and treat shareholders equitably.
12.		2.12	The board should ensure the integrity of the company's integrated report	Explain	The Board, in conjunction with the Audit and Risk Committee, will take the necessary steps to ensure the integrity of the integrated report when it is issued.
13.		2.13	The board should report on the effectiveness of the company's system of internal controls	Explain	Once operations commence, the Board will ensure that a written assessment of the effectiveness of the Company's internal controls and risk management will be performed.
14.		2.14	The board and its directors should act in the best interests of the company	Applied	Refer to 2.1. The Board acts in the best interests of the Company.
15.		2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	Applied	The Board will, on a continuous basis, monitor the solvency of the Company and whether the Company is financially distressed and, if applicable, with due consideration, determine the appropriate action to be taken.
16.		2.16	The board must elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	Applied	The Chairman of the Board, Richard Came, is an independent non-executive Director whose appointment is separate from that of the Chief Executive Officer, Charles Rowlinson.
17.		2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority	Applied	A Chief Executive Officer has been appointed and a framework for the delegation of authority has been established.
18.		2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Applied	The Board comprises three executive Directors and six independent non-executive Directors.
19.		2.19	Directors must be appointed through a formal process	Applied	Appointments to the Board are considered by the Board as a whole. Currently, the appointment of a separate Nomination Committee is not warranted, but will be considered post Listing.

No.	Area	Requirement	Status	Comments
1. Boards and directors				
20.	Director developments	2.20 The induction of and on-going training and development of directors should be conducted through formal processes	Applied	All Directors have unlimited access to the Company's resources in order to familiarise themselves with Company related matters. In accordance with the Listings Requirements pertaining to AltX-listed companies, all Directors will attend the Directors Induction Programme.
21.	Company secretary	2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary	Applied	Acorim Proprietary Limited has been appointed as Company Secretary. The Board has satisfied itself as to the competence, qualifications and experience of the Company Secretary.
22.	Performance assessment	2.22 The evaluation of the board, its committees and the individual directors should be performed every year	Explain	As the Company is newly incorporated, the evaluation of the Board, its committees and individual Directors is yet to be performed. The Board will ensure that such evaluations are performed on an annual basis going forward.
23.	Board committees	2.23 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	To be Applied	An Audit and Risk Committee and a Remuneration Committee have been appointed. The appointment of a Social and Ethics Committee will be implemented by the Board post Listing.
24.	Group boards	2.24 A governance framework should be agreed between the group and its subsidiary boards	Explain	Currently, the Company does not have any subsidiary companies.
25.	Remuneration of directors and senior executives	2.25 Companies should remunerate directors and executives fairly and responsibly	Explain	The Company has appointed a Remuneration Committee. The remuneration policy will be finalised post Listing.
26.		2.26 Companies should disclose the remuneration of each individual director and certain senior executives	Explain	Following the Company's Listing, the remuneration of the Directors will be disclosed in the Company's integrated annual reports.
27.		2.27 Shareholders should approve the company's remuneration policy	Explain	The Company's remuneration policy, which will be determined post Listing, will be tabled to Shareholders for a non-binding advisory vote at the general meeting of Shareholders to approve such acquisition/s.

DEFERRED ORDINARY SHARES

Extracts from the MOI of M-FiTEC pertaining to the Deferred Ordinary Shares are set out below. A copy of the complete MOI is available for inspection at M-FiTEC's registered office

For the purpose of this Annexure 4 "Act" refers to the Companies Act, 2008 (Act 71 of 2008), as amended, consolidated or re-enacted from time to time and includes all schedules to such Act and the Regulations. A reference to a section by number refers to the corresponding section of the Act, notwithstanding the renumbering of such section after the date on which the Company is incorporated.

Each Deferred Ordinary Shares of the Company shall have the following class rights and privileges and be subject to the following terms and conditions:

- 1.1 each Deferred Ordinary Share shall rank *pari passu* in all respects with every other Deferred Ordinary Share;
- 1.2 save only as provided for in section 37(3)(a) of the Act, no voting rights shall attach to the Deferred Ordinary Shares;
- 1.3 the Deferred Ordinary Shares shall not be entitled to participate in any profits of the Company and no dividends or any other distributions by the Company shall be declared or paid in respect of the Deferred Ordinary Shares;
- 1.4 the Deferred Ordinary Shares shall not participate in any rights issue of the Company;
- 1.5 as regards a return of capital, the Deferred Ordinary Shares shall rank equal to the issue price of R0.001 (zero point one cent) per Deferred Ordinary Share after the ordinary Shares on a winding up but shall not otherwise be entitled to participate in any assets or surplus assets of the Company whether on a winding up or in any other circumstances;
- 1.6 save as otherwise contemplated in the subscription agreement entered into between the Founder Members and the Company, the Deferred Ordinary Shares shall not be transferable whether by delivery, registration or otherwise and shall accordingly not be capable of being listed on the JSE or any other recognised stock exchange;
- 1.7 on the first business day following the acquisition of Viable Assets, each Deferred Ordinary Share shall forthwith, and without the need for further resolution of the Board or of the Shareholders of the Company, stand automatically and compulsorily converted on a one-for-one basis into, and be re-designated as, an ordinary Share; and
- 1.8 upon conversion aforesaid, the Founder Members and the Company shall do all things and take all steps necessary in terms of and in compliance with the Listings Requirements, to procure the listing of the converted Deferred Ordinary Shares on the JSE.

STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY ON INCORPORATION

STATEMENT OF FINANCIAL POSITION AT 19 AUGUST 2015 (DATE OF INCORPORATION)

	Note	2015 R
ASSETS		
Current Assets		
Loan receivable	5	10
Total Assets		10
EQUITY AND LIABILITIES		
Equity		
Stated capital	4	10
Total equity and liabilities		10

STATEMENT OF CHANGES IN EQUITY ON INCORPORATION

	Note	Stated Capital	Total R
Shares issued	4	10	10
Balance at 19 August 2015		10	10

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa. These financial statements have been prepared on the historical cost basis, except where indicated otherwise.

2. SIGNIFICANT JUDGMENTS AND KEY ACCOUNTING ESTIMATES

In the process of applying the Company's accounting policies, management has applied judgement in determining the carrying value of the loan receivable.

3. FINANCIAL INSTRUMENTS

Financial instruments are those financial assets and financial liabilities that are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Loans and receivables are initially recorded at fair value and subsequently measured at amortised cost.

4. **STATED CAPITAL**

	2015 R'
Authorised	
400 000 000 ordinary Shares of no par value	
Issued	10
1 ordinary Share of no par value	10

The unissued Shares are under the control of the Directors until the next annual general meeting of the Company.

5. **LOAN RECEIVABLE**

The loan receivable is unsecured, interest free and is receivable on demand.

6. **COMMITMENTS AND CONTINGENCIES**

There were no commitments or contingencies in the company for the current period.

7. **COMPARATIVE FINANCIALS**

No comparative financial data has been presented as the company was only incorporated on 19 August 2015.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF M-FITEC

The Directors
M-FiTEC International Limited
Augusta @ Inanda Greens
54 Wierda Road, Sandton
2196

4 November 2015

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY ("THE FINANCIAL INFORMATION") OF M-FITEC INTERNATIONAL LIMITED ("M-FITEC") AT 19 AUGUST 2015, THE COMPANY'S INCORPORATION DATE

At your request and for the purposes of the Pre Listing Statement to be dated on or about 17 November 2015 ("the Pre-Listing Statement"), we present our report on the historical financial information of M-FiTEC at its incorporation date in compliance with the JSE Listings Requirements.

Responsibilities

Directors Responsibility for the Financial Statements

The directors are responsible for the preparation, contents and presentation of the Pre Listing Statement and the fair presentation of the financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the financial information of M-FiTEC at its incorporation date, included in the Pre-Listing Statement, based on our audit of the financial information at its incorporation date.

Scope of the audit

We conducted our audit of the financial information at its incorporation date in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion

In our opinion, the financial information of M-FiTEC at its incorporation date presents fairly, in all material respects, for the purposes of the Pre Listing Statement, the financial position of M-FiTEC at 19 August 2015 in accordance with International Financial Reporting Standards and requirements of the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the Pre Listing statement in the form and context in which it appears.

Yours faithfully

Grant Thornton Johannesburg Partnership

Registered Auditors
Practice number: 903485

VR de Villiers

Partner
Chartered Accountant (SA)
Registered Auditor

@ Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo
2196