Choppies Enterprises Limited  
(Registration number 2004/1681)  
JSE share code: CHP  
BSE share code: CHOPPIES  
ISIN: BW0000001072  
Tax reference number: C08710401018  
(“Choppies” or the “Company”)  

FURTHER ANNOUNCEMENT REGARDING DELAY IN PUBLICATION OF  
FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018, TRADING  
STATEMENT AND CAUTIONARY ANNOUNCEMENT  

Shareholders are referred to the announcement released on Friday, 21 September 2018 and are  
advised further as follows:  

Delay in Publication of Audited Financial Statements for the Year ended 30 June 2018  

In order to provide further clarity to shareholders on this matter, the Company advises that, in  
relation to the current audit for the year ended 30 June 2018:  

- The Company appointed new external auditors PricewaterhouseCoopers (PwC) on 31  
  January 2018 and consequently the Board and the auditors have been reassessing a  
  number of past accounting practices and policies. The reassessments currently being  
  undertaken relate to historical purchase price allocations on business acquisitions,  
  depreciation and amortization accounting, valuation of inventory and impairment  
  assessments of property, plant and equipment, intangible assets and deferred tax assets.  
  Such reassessments are ongoing, complex by nature and require careful analysis in order  
  to determine the impact on prior and current periods.  

- The Board and the Company’s auditors identified a number of matters relating to the  
  current and earlier financial periods, which require independent verification and expert  
  legal analysis and advice before the impact thereof on accounting recognition,  
  measurement and disclosures (if any) can be determined. Certain transactions and  
  business relationships hitherto were not made fully apparent and were therefore not  
  sufficiently considered in preparation of historical annual financial statements. These  
  include:  
    - certain business acquisition transactions undertaken by the South African  
      subsidiary during the 2017 and 2018 financial years.  
    - ramifications of the well-publicised shareholder dispute in Zimbabwe. Already  
      the actions of a Zimbabwe domiciled director of the Group’s Zimbabwean  
      investee company is the subject of a police investigation for alleged theft.  

While these independent verifications and expert legal analyses have been initiated, their  
completion date and outcomes cannot be determined with any reasonable certainty at this stage,  
impacting the finalization of the Company’s audited financial results for the year ended 30 June
2018. The Company is therefore unable to determine when it will be in a position to publish audited financial results for the year ended 30 June 2018.

The board is reviewing these matters, meeting regularly with PwC and other advisers and will continue to provide the shareholders with updates as these matters are progressed.

Trading Statement

The decrease in profitability referenced in the announcement of 21 September 2018 results primarily from a combination of adverse trading conditions in South Africa, Mozambique and East Africa and a material year-on-year increase in inventory losses identified through improved stock count procedures employed during the last quarter of the financial year. The final results for the current financial year may be further impacted by possible restatements on prior periods and accounting for transactions still being verified. As set out above, the Group is not in a position to make any reasonable estimate of the impact of these matters (if any), until the necessary verifications, analyses and assessments are completed.

Cautionary Announcement

Given the matters referred to in this and the announcement of 21 September 2018, the Company advises shareholders to exercise caution in the trading of the Company’s securities until a further announcement is made.

27 September 2018

BSE Sponsoring Broker
African Alliance Botswana Limited

JSE Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)