

D'ARCY-HERRMAN & Co INC**Limpopo**

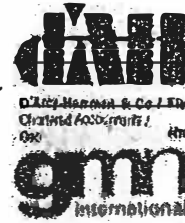
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Our ref: 3634/2017

18 January 2018

The Directors**African Global Group of Companies**

(sent by email to Mr. L Passano [louis.passano@africanglobal.world] and Mr. G Watson [gavin.watson@africanglobal.world] for distribution to the board of directors)

Dear Sirs

AFRICAN GLOBAL GROUP OF COMPANIES (formerly BOSASA group of companies)

2017 AUDIT:

We have substantially completed the audit work in respect of the 2017 financial year for African Global Operations (Pty) Ltd and its subsidiary companies ("collectively referred to hereinafter as the "Group"). We had envisaged to complete the entire Group audit by the end of January 2018 and issue our audit reports on the financial statements of the relevant companies within the Group.

During December 2017 we received certain communications of a serious and concerning nature which we expand upon in detail below.

On the 22nd of December 2017 we received a written electronic communication (in the form of a "WhatsApp" message) from Mr. Andries Van Tonder. To the best of our knowledge Mr. Van Tonder was at the time of the message the designated CFO of the group and in the message sent to us on the 22nd of December 2017 he indicated that he sent this communication to us in his capacity as CFO of the Group. The contents of said communication can be broadly summarised as follows:

- 1) Mr. Van Tonder indicated that on legal advice obtained by him, in his capacity as CFO of the Group, he had a fiduciary responsibility to inform us certain irregularities that had occurred or were occurring within the Group.
- 2) Mr. Van Tonder indicated that the matters he intended to reveal to us would "undoubtedly affect us as the auditors of the Group".
- 3) The irregularities, according to the communication received, related to wide spread "corruption, money laundering and tax evasion" within the Group.

Directors - R C Moore B.Acc,CA(SA) - J L Ungerer B.Compt (Hons),CA(SA)
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Associates - (Professional Accountant (SA)) - P R du Toit B.Com (Hons) CTA -
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Associate - (Chartered Accountant (CA(SA))) - Z V Nel B.Compt (Hons),CA(SA)

Reg No. 2009/001985/21
Registered Auditors - IRBA no. 915076 - SAICA no. 03148542 - FSB no.39243
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- 4) Mr. Van Tonder indicated that he would provide us with detailed explanations and relevant documents related to the irregularities mentioned above.
- 5) In the communication Mr. Van Tonder suggested that we meet with him on the 15th of January 2018 upon his return (we assume from vacation).

We responded (through a WhatsApp message reply) to Mr. Van Tonder's message and informed him that his message was a cause of concern to us and that we were eager to meet with him to discuss the message and its contents with him.

On Friday the 12th January 2018 we received another WhatsApp communication from Mr. Van Tonder the content of which can be summarised as follows:

- 1) According to Mr. Van Tonder he had been informed by Mr. Angelo Agrizzi (subsequent to meeting between Mr. Agrizzi and Mr. Brian Biebuyck) that he could not meet with us on the 15th of January 2018 as previously planned.
- 2) Mr. Van Tonder indicated in his message that he was requested to "not do anything" as an undertaking had been made to make a presentation to Mr. Gavin Watson's attorney.
- 3) According to Mr. Van Tonder it would be "pre-mature and unfair" to meet with us prior to the presentation to Mr. Watson's attorney.
- 4) Mr. Van Tonder suggested that we allow them (we are not sure who he was referring to in addition to himself) to do a presentation to Mr. Watson's attorney and that once a conclusion had been reached, full disclosure of all irregularities will be made to us "should it be required".
- 5) Mr. Van Tonder indicated that he had been informed, by Mr. Angelo Agrizzi, not to talk to us until such time as the "matter had been resolved".

Legislation, auditing standards and the IRBA code of professional conduct place a responsibility on auditors to consider the existence or occurrence of irregularities and instances of non-compliance with laws and regulations. The auditing standards further require auditors to consider all information that comes to the auditor's attention from any source when considering the existence or occurrence of irregularities. Auditors are legally obliged to consider and respond to any information that comes to the attention of the auditor.

In this particular case the information that has come to our attention through the communications received from Mr. Van Tonder necessitates us to respond to the information imparted to us. In responding to the information received we envisage, as a minimum, the following processes and actions:

- 1) Engagement and discussions with those charged with the governance of the Group as regards the information received,
- 2) Consideration of the reliability of the source and the veracity of the information that has come to our attention,
- 3) Additional procedures and inquiries in respect of possible irregularities, and
- 4) Other investigations that we may consider necessary and appropriate to respond to the information received.

We wish to point out that at this point in time we have not been furnished with any particular factual information, documentation or details as regards the purported irregularities. The information regarding the purported irregularities are at this point not constituted by facts or evidence. The nature and level of detail of the information received to date is insufficient to cause us to have reason to believe that the purported irregularities did occur. This being said, we are however duty bound to respond to the information received and perform such actions as we deem necessary to ascertain whether or not any irregularities or instances of non-compliance with laws and regulations did occur. In responding to the information we will, independently and objectively consider all relevant circumstances, information, documentation and representations. To this end any pertinent information and responses that you are able to provide to us in connection to Mr. Van Tonder's communications to us (as described above) is welcomed and will be of assistance to us.

We trust that those charged with the governance of the Group, in light of all the circumstances described above, appreciate the additional requirements placed on us and the unavoidable delay caused thereby in the finalisation of the 2017 audit of the Group.

We will be engaging with management and the board of directors in the following days with regards to all of which is contained in this letter.

Yours faithfully



D'Arcy-Herrmann & Co
Per: CJA Wolmarans