

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of the Circular apply *mutatis mutandis* to this cover page.

ACTION REQUIRED

1. This entire Circular is important and should be read with particular attention to the section entitled "Action Required by Insimbi Shareholders" on page 4 of this Circular.
2. If you are in any doubt as to what action to take, please consult your Broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.
3. If you have disposed of all your Insimbi Shares, this Circular should be handed to the purchaser of such Insimbi Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.
4. Insimbi does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or Broker of a dematerialised shareholder to notify such shareholder of the General Meeting or any business to be concluded thereat.



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED
(Incorporated in the Republic of South Africa)
Registration number 2002/029821/06
JSE Share Code: ISB
ISIN Code: ZAE000116828

CIRCULAR TO INSIMBI SHAREHOLDERS

regarding:

- **the Transactions involving the acquisition by Insimbi of the entire ordinary share capital the AMR Corporate Group by way of:**
 - (i) **the Share Exchange; and**
 - (ii) **the Subscription,****which in terms of the Listings Requirements constitutes a reverse take-over;**

and incorporating:

- **Revised Listing Particulars in relation to Insimbi;**

and enclosing:

- **a notice of General Meeting; and**
- **a form of proxy for use by certificated shareholders and "own name" dematerialised shareholders only.**

Corporate Advisor and
Sponsor to Insimbi



Bridge Capital

Independent reporting accountant
to Insimbi and AMGH



PricewaterhouseCoopers Inc.

Legal Advisor to Insimbi



Falcon and Hume Attorneys Inc.

Date of issue: Monday, 7 November 2016

Copies of this Circular are available in English only and may be obtained during normal Business Hours from Monday, 7 November 2016 until Monday, 5 December 2016 at the registered office of the Company and the Sponsor, the addresses of which are set out in the "Corporate Information and Advisors" section hereof. In addition, this Circular is available in electronic form on the Company's website (www.insimbi-alloys.co.za).

CORPORATE INFORMATION AND ADVISORS

REGISTERED OFFICE OF INSIMBI

359 Crocker Road
Wadeville
Extension 4
Germiston
South Africa
(P.O. Box 14676, Wadeville,1422)

COMPANY SECRETARY OF INSIMBI

Kristell Holtzhausen
359 Crocker Road
Wadeville
Extension 4
Germiston
South Africa
(P.O. Box 14676, Wadeville,1422)

CORPORATE ADVISOR AND SPONSOR

Bridge Capital Advisors Proprietary Limited
(Registration number 1998/016302/07)
2nd Floor, 27 Fricker Road
Illovo Boulevard
Illovo, 2196
South Africa
(P.O. Box 651010, Benmore, 2010)

INDEPENDENT REPORTING ACCOUNTANT TO INSIMBI AND AMGH

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
2 Elgin Road
Sunninghill, 2157
South Africa
(Private Bag X36, Sunninghill, 2157)

LEGAL ADVISOR TO INSIMBI

Falcon and Hume Attorneys Inc.
(Registration number 2009/010911/21)
2nd Floor, 8 Melville Road,
Illovo, Sandton, 2196
South Africa
(P.O. Box 55523, Northlands, 2116)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited¹
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
South Africa
(P.O. Box 61051, Marshalltown, 2107)

REGISTERED OFFICE OF AMGH

18 Pallet Crescent
Devland
Johannesburg, 1811
South Africa
(P.O. Box 38946, Booysens, 2016)

PLACE OF INCORPORATION OF INSIMBI AND AMGH

South Africa

DATE OF INCORPORATION

25 November 2002

DATE OF INCORPORATION OF AMGH

17 August 2016

¹ The transfer secretaries will change their physical address and this will be effective on 28 November 2016. Insimbi Shareholders must submit their form of proxy to the previous address. Furthermore, the Transfer Secretaries new address will be Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa.

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ACTION REQUIRED BY INSIMBI SHAREHOLDERS

The definitions and interpretations contained in the "Definitions and Interpretations" section commencing on page 6 of this Circular apply, *mutatis mutandis*, to this section.

Action required regarding the General Meeting:

The General Meeting will be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa on Monday, 5 December 2016 at 14:00 to consider and, if deemed fit, approve the resolutions. The notice convening the General Meeting is attached to and forms part of this Circular.

Please take note of the following provisions regarding the actions required by certificated shareholders and dematerialised shareholders regarding the General Meeting:

If you are a certificated shareholder or if you have dematerialised your Insimbi Shares with "own name" registration in the sub-register of Insimbi maintained by a CSDP:

You may attend the General Meeting in person and may vote at the General Meeting.

Alternatively, if you are unable to attend the General Meeting but wish to be represented thereat, you are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. Your duly completed form of proxy must be received by the transfer secretaries by no later than 14:00 on Thursday, 1 December 2016.

If you have dematerialised your Insimbi Shares other than with "own name" registration in the sub-register of Insimbi maintained by a CSDP:

If you wish to attend the General Meeting, you must instruct your CSDP or Broker timeously in order that such CSDP or Broker may issue you with the necessary letter of representation or equivalent authority to attend the General Meeting.

Alternatively, if you do not wish to attend the General Meeting, you must provide your CSDP or Broker with your instructions for attendance or voting at the General Meeting in the manner stipulated in the custody agreement between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off time and date advised by your CSDP or Broker for instructions of this nature.

If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker.

You must not complete the attached form of proxy for use at the General Meeting.

Insimbi does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a dematerialised shareholder to notify such dematerialised shareholder of the General Meeting or any business to be conducted thereat.

Forward Looking Statements:

This Circular contains statements about Insimbi and/or the Insimbi Group that are or may 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 or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Insimbi cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Insimbi operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Insimbi, as communicated in publicly available documents by Insimbi, all of which estimates and assumptions, although Insimbi believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Insimbi or not currently considered material by Insimbi. Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Insimbi 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 are not known. Insimbi has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

SALIENT DATES AND TIMES

2016

Record date in order to be eligible to receive the Circular	Friday, 28 October
Posting of Circular and Notice of General Meeting announcement published on SENS on	Monday, 7 November
Last day to trade in Insimbi Shares in order to be able to participate in and vote at the General Meeting on	Tuesday, 22 November
Record date for the General Meeting, being the date on which an Insimbi Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting by the close of trade on	Friday, 25 November
Must be registered in the Register in order to be eligible to attend and participate in the General Meeting by the close of trade on	
Last day to lodge forms of proxy in respect of the General Meeting with the transfer secretaries by 14:00 on	Thursday, 1 December
General Meeting to be held at 14:00 on	Monday, 5 December
Results of General Meeting released on SENS on	Monday, 5 December
Results of General Meeting published in the press on	Tuesday, 6 December
Expected announcement that all Suspensive Conditions in relation to the Agreement have been fulfilled on	Monday, 12 December
Anticipated date for listing of new Insimbi Shares on	Monday, 17 December
Issue of new Insimbi Shares on	Monday, 17 December
Anticipated completion of the Transactions on	Monday, 17 December

Notes:

1. The "definitions and interpretations" commencing on page 6 of this Circular apply, *mutatis mutandis*, to this section.
2. All dates and times shown in this Circular are local times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, and words denoting one gender shall include the other, and expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“Acquirors”	collectively, Insimbi and Insimbi Alloys, or either one of them as the context may require;
“Actual NPAT”	the NPAT generated by the AMR Corporate Group during the NPAT Target Period;
“Agreement”	the share exchange and subscription agreement entered into between the Parties on 13 September 2016, pursuant to which Insimbi and Insimbi Alloy will acquire 100% of the issued share capital in AMGH, being the AMGH Exchange Shares, as contemplated in this Circular subject to the fulfillment or waiver of the Suspensive Conditions outlined in paragraph 11 of this Circular, on or before the Completion Deadline Date;
“AMGH”	Amalgamated Metals Group Holdings Proprietary Limited, registration number 2016/354749/07, a private company incorporated under the laws of South Africa;
“AMGH Board”	the board of directors of AMGH from time to time;
“AMGH Exchange Shares”	all of the ordinary no par value shares in the issued share capital of AMGH held by the Shareholder Investment Companies in AMGH as at the Closing Date (constituting all of the Securities issued by AMGH), as detailed in Annexure 2;
“AMR”	Amalgamated Metals Recycling Proprietary Limited, registration number 2010/012638/07, a private company incorporated under the laws of South Africa and is a wholly owned subsidiary of AMGH as detailed in Annexure 1;
“AMR Corporate Group”	collectively, AMGH, AMR, AMRSA, AMRWR, Zamsaf and Spring Lights, or any one or more of them as the context may require;
“AMR Group”	collectively, the Shareholder Trusts, the Shareholder Investment Companies and the AMR Corporate Group or any one or more of them as the context may require;
“AMR Group Restructure”	the transaction process through which the corporate structure of the AMR Group is altered from the corporate structure which existed as at 21 June 2016 to the corporate structure diagrammatically depicted in Annexure 1;
“AMR Pre-Acquisition Dividend”	the dividend in the aggregate amount of R20 000 000 declared by the AMGH Board on 8 September 2016 in favour of the CC Share Trust Investment Company, the LSL Share Trust Investment Company and the JCCD Share Trust Investment Company (being the only shareholders in AMR as at the date that such dividend is declared) in proportion to their respective shareholding in AMR as at the date that such dividend was declared;
“AMRSA”	Amalgamated Metals Recycling SA Proprietary Limited, registration number 2010/016502/07, a private company incorporated under the laws of South Africa and is a wholly owned subsidiary of AMGH as detailed in Annexure 1;
“AMRWR”	Amalgamated Metals West Rand Proprietary Limited, registration number 2010/012682/07, a private company incorporated under the laws of South Africa and is a wholly owned subsidiary of AMGH as detailed in Annexure 1;
“Applicable Law”	all laws, rules, ordinances, regulations, grants, concessions, licences, orders, directives, judgments, decrees, and other governmental restrictions applicable to the AMR Corporate Group and/or the Business, including permits and other similar requirements, whether national, provincial, territorial, municipal, foreign or local, and whether legislative, administrative or judicial in nature;
“Auditors”	the auditors of AMGH from time to time (and which, as at the Signature Date, is PricewaterhouseCoopers Inc.) or, in the absence of AMGH having appointed auditors, the auditors of Insimbi;
“Beneficial Owner”	a person that has a beneficial interest in a share, as defined in the Companies Act;
“Board” or “Directors”	the Board of directors of Insimbi as at the Last Practicable Date whose details are set out in page 13 of this Circular;
“Booyens Property”	collectively: <ul style="list-style-type: none"> (a) Erf 482 Booyens Reserve Township, Registration Division I.R in the Province of Gauteng, measuring 3 966 square meters held by Spring Lights in terms of Certificate of Consolidated Title number T15841/2010 dated 21 May 2010; and (b) Erf 483 Booyens Reserve Township, Registration Division I.R. in the Province of Gauteng, measuring 4 461 square meters held by Spring Lights in terms of Title Deed number T19918/2010;

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“Business”	the business of the AMR Corporate Group from time to time, being that of aggregation, processing, recycling and sale of second hand scrap metal, principally conducted from the three facilities situated at the Properties;
“Business Day”	any day other than a Saturday, Sunday or a public holiday in South Africa;
“Business Hours”	08:00 to 17:00 on a Business Day;
“Broker”	stockbroker as defined in the Financial Markets Act;
“CC Investment Trust”	a trust registered with the Master under the reference number IT 1519/2008 which details are included in Annexure 2 of this Circular;
“CC Investment Trust Investment Company”	Golden Griffin Investments 1 Proprietary Limited, registration number 2016/301743/07, a private company incorporated under the laws of South Africa and all of the Securities of which are held by the CC Investment Trust;
“CC Share Trust”	a trust registered with the Master under the reference number IT 2546/2008 which details are included in Annexure 2 of this Circular;
“CC Share Trust Investment Company”	Golden Griffin Investments Proprietary Limited, registration number 2016/301734/07, a private company incorporated under the laws of South Africa and all of the Securities of which are held by the CC Share Trust;
“certificated shares”	Insimbi Shares, represented by a share certificate(s) or other physical Document(s) of Title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
“certificated shareholder(s)”	Insimbi Shareholder(s) who hold certificated share(s);
“Circular”	This circular, dated Monday, 7 November 2016, including all annexures and the Revised Listings Particulars (including the appendices thereto) and the notice of General Meeting and the form of proxy contained herein;
“Closing Date”	2 Business Days after the declaration by the AMGH Board of the Transaction Dividend, or such other date as the Vendors’ Representative and Insimbi may agree in writing wherein all Suspensive Conditions to the Agreement have been fulfilled and/or waived, as the case may be;
“Combrink”	Christiaan Henry Combrink, in his personal capacity;
“Companies Act”	the Companies Act, No. 71 of 2008;
“Competition Act”	the Competition Act, No. 89 of 1998;
“Competition Authorities”	the Competition Commission of South Africa and/or the Competition Tribunal of South Africa and/or the Competition Appeal Court of South Africa, as the case may be, being regulatory and/or judicial authorities established in terms of the Competition Act;
“Competition Authorities Notification”	the competition notification submitted jointly by the Parties on or about 30 August 2016 pursuant to section 13A of the Competition Act and as contemplated in the Agreement;
“Competing Products”	any products sold in direct competition with the Prescribed Products;
“Competing Services”	any services rendered in direct competition with the Prescribed Services;
“Completion Date”	the date on which all of the Suspensive Conditions have been fulfilled and/or waived, as the case may be;
“Completion Deadline Date”	30 November 2016, or such later date as Insimbi and the Vendors’ Representative may agree in writing, on or prior to such date or as may be extended as contemplated in the Agreement;
“Coombs”	Christiaan Coombs, in his personal capacity;
“Corporate Advisor” and “Sponsor”	Bridge Capital Advisors Proprietary Limited, registration number 1998/016302/07, a private company incorporated under the laws of South Africa;
“CSD”	a central securities depository duly licenced as such in terms of section 29 of the Financial Markets Act;
“CSDP”	a participant, as that term is defined in the Financial Markets Act, duly authorised by a CSD in terms of the depository rules, pursuant to section 31 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;
“dematerialisation” or “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 shares”	Insimbi Shares that have been dematerialised;

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“dematerialised shareholder(s)”	a holder of dematerialised shares;
Devland Property	Erf 6478 Devland Extension 1 Township, Registration Division I.Q. in the Province of Gauteng, measuring 2,1956 hectares held by Zamsaf in terms of Certificate of Consolidated Title number T589/2014 dated 9 January 2014;
“Directors’ Loans	the claims on loan account owing by AMR to certain members of the AMGH Board as follows: (a) Coombs: R10 374 049.65; (b) Combrink: R4 745 309.81; and (c) Steenkamp: R5 966 730.04, as at 31 August 2016;
“Dispose”	to sell, transfer, unbundle, exchange, liquidate, cede, assign, dispose of, distribute or otherwise alienate, or enter into any option, derivative or other transaction which requires any of the foregoing or the effect of which is to result in any of the foregoing (and “Disposal” shall have a corresponding meaning);
“documents of title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of shares;
“Encumbrance”	any interest (including any right to acquire, any option or any right of pre-emption), pledge, charge, lien, subordination, mortgage, assignment, hypothecation, title, rights of retention or other security agreement or arrangement or any other encumbrance of whatsoever nature;
“Entity”	any association, close corporation, company, concern, enterprise, firm, partnership, joint venture, person, trust, undertaking collective investment scheme or any other similar entities;
“Expert”	an accounting expert appointed by the Vendors and Insimbi and, in the absence of the Vendors and Insimbi failing to agree upon an expert within 5 Business Days of the expiry of the applicable period within which the Vendors and Insimbi were to have resolved the dispute concerned, an independent accounting expert (or firm) nominated by the Auditors;
“Financial Markets Act”	Financial Markets Act, 2012;
“General Meeting”	the general meeting of Insimbi Shareholders to be held at 359 Crocker Road, Wadeville, Extension 4, Germiston on Monday, 5 December 2016 at 14:00 to consider and, if deemed appropriate, approve the resolutions;
“Group”	the Company and each of its subsidiaries as contemplated in the Companies Act;
“IFRS”	the International Financial Reporting Standards as adopted by the International Accounting Standards Board (and as may be amended from time to time);
“Independent Reporting Accountant to Insimbi”	PricewaterhouseCoopers Inc., registration number 1998/012055/21, registered auditors, a firm of Chartered Accountants (SA) and the independent reporting accountant to Insimbi reporting on the pro forma financial effects and pro forma financial information set out in paragraph 17.2 and Annexure 7, respectively in this Circular;
“Independent Reporting Accountant to AMGH”	PricewaterhouseCoopers Inc., registration number 1998/012055/21, registered auditors, a firm of Chartered Accountants (SA) and the independent reporting accountant to AMGH reporting on the historical combined financial information set out in Annexure 4 in this Circular;
“Insimbi” or “the Company”	Insimbi Refractory and Alloy Supplies Limited, registration number 2002/029821/06, a public company incorporated under the laws of South Africa and the shares are traded on the JSE;
“Insimbi Alloy”	Insimbi Alloy Supplies Proprietary Limited, registration number 2006/009481/07, a private company incorporated under the laws of South Africa and a wholly-owned subsidiary of Insimbi;
“Insimbi Exchange Shares”	an aggregate amount of 50,000,000 Insimbi Shares to be issued by Insimbi to the Insimbi Exchange Shares Trustee pursuant to the Agreement as described in paragraph 10.1.1.1 of this Circular in exchange for the AMGH Exchange Shares, to be held in trust for and on behalf of the Shareholder Investment Companies pursuant to the Agreement and the Insimbi Exchange Shares Mandate;
“Insimbi Exchange Shares Mandate”	the agreement to be concluded between Insimbi, each of the Shareholders Investment Companies and the Insimbi Exchange Shares Trustee setting out the terms and conditions on which the Insimbi Exchange Shares Trustee will receive, hold and release the Insimbi Exchange Shares, as contemplated in section 40(5)(b)(ii) of the Companies Act and as prescribed in the Agreement;

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“Insimbi Exchange Shares Trustee”	the trustee appointed (in order to sufficiently facilitate the structuring of the Transactions) by Insimbi and each of the Shareholders Investment Companies which will receive and hold the Insimbi Exchange Shares in trust in terms of section 40(5)(b)(ii) of the Companies Act and the Insimbi Exchange Shares Mandate which, unless the Vendors’ Representative and Insimbi agree in writing to the contrary, shall be (or shall be an Entity administered by) TMF Corporate Services (South Africa) Proprietary Limited (registration number 2006/013631/07);
“Insimbi Fundraising”	the process through which Insimbi and Insimbi Alloy will raise funding in the amount of approximately R235 000 000, comprising approximately R100 000 000 by way of Insimbi issuing new Insimbi Shares through a vendor consideration placement in terms of 5.62 of the Listings Requirements and approximately R135 000 000 by way of loans advanced directly or indirectly to Insimbi Alloy by third party financial institutions;
“Insimbi Principals”	collectively, Frederik Botha, Colin Francis Botha, Eduard Philipp Liechti, Pieter Jacobus Schutte or any one or more of them in their personal capacity as the context may require;
“Insimbi Shareholders”	holders of Insimbi Shares;
“Insimbi Shares”	ordinary par value shares of R0.000025 per share which Insimbi is authorised to issue;
“Insimbi Trading Price”	R1.00 per Insimbi Share as detailed in paragraph 10.1.1.1 of the Circular;
“Interim Period”	the period between the Signature Date and the Closing Date (both dates inclusive);
“JCCD Investment Trust”	a trust registered with the Master under the reference number IT 1764/2008 which details are included in Annexure 2 of this Circular;
“JCCD Investment Trust Investment Company”	Crimson Clover Investments 1 Proprietary Limited, registration number 2016/301771/07, a private company incorporated under the laws of South Africa and all of the Securities of which are held by the JCCD Investment Trust;
“JCCD Share Trust”	a trust registered with the Master under the reference number IT 2664/2008 which details are included in Annexure 2 of this Circular;
“JCCD Share Trust Investment Company”	Crimson Clover Investments Proprietary Limited, registration number 2016/301776/07, a private company incorporated under the laws of South Africa and all of the Securities of which are held by the JCCD Share Trust;
“JSE”	JSE Limited, registration number 2005/022939/06, a public company incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“King III Report”	King III Report on Corporate Governance for South Africa, 2009;
“Last Practicable Date”	Monday, 31 October 2016, being the Last Practicable Date prior to the finalisation of this Circular;
“Legal Advisor to Insimbi”	Falcon and Hume Attorneys Inc., registration number 2009/010911/21, a firm of practicing attorneys in terms of the Attorneys Act, No. 53 of 1979 whose details are set out in the “corporate information and advisors” section of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“LSC Investment Trust”	a trust registered with the Master under the reference number IT 1517/2008 which details are included in Annexure 2 of this Circular;
“LSC Investments Trust Investment Company”	Southern Vault Investments 1 Proprietary Limited, registration number 2016/301750/07, a private company incorporated under the laws of South Africa and all of the Securities of which are held by the LSC Investment Trust;
“LSL Share Trust”	a trust registered with the Master under the reference number IT 2737/2008 which details are included in Annexure 2 of this Circular;
“LSL Share Trust Investment Company”	Casterly Rock Investments Proprietary Limited, registration number 2016/301760/07, a private company incorporated under the laws of South Africa and all of the Securities of which are held by the CC Share Trust;
“Main Board”	all Securities listed on the main board of the list maintained by the JSE of securities admitted to listing;
“Master”	the Master of High Court of South Africa in Johannesburg;
“Material”	when used in conjunction with an event, condition, circumstance, effect or other item, means that there is a substantial likelihood that a reasonable expert would attach importance to the event, condition, circumstance, effect or item in evaluating the Party to which it relates and/or the event, condition, circumstance, effect or item contemplated in the Agreement;

DEFINITIONS AND INTERPRETATIONS

“Material Adverse Change”	an event, condition, circumstance, effect, change in, condition or other item that individually, or when taken together with all other effects or conditions of a like nature, would individually or in aggregate have: <ul style="list-style-type: none"> a) a Material adverse impact on the operation of the Entity concerned; and/or b) result in a Material diminution in the value of the Entity in any form whatsoever; and/or will result in, or be reasonably likely to result in, the Entity concerned not being able to fulfill its obligations in terms of the Agreement;
“MOI”	memorandum of incorporation of the Company as amended or replaced from time to time;
“NPAT”	net profit after tax, being the net amount remaining after deducting from the consolidated gross income of the AMR Corporate Group all proper charges and expenses and normal taxation on companies attributable to the ordinary trading activities of the AMR Corporate Group determined in accordance with IFRS (but specifically including any forex gains or losses and excluding any capital, abnormal or extraordinary items as well as any costs or interest charges arising from the Insimbi Fundraising, if and to the extent applicable in the relevant period;
“NPAT Target”	an NPAT amount of R90,000,000 to be generated by the AMR Corporate Group during the NPAT Target Period;
“NPAT Target Period”	the period commencing on the first day of the month in which the Closing Date falls and ending on the last day of the 36th calendar month after the month in which the Closing Date falls;
“Parties”	the signatories to the Agreement and their permitted assignees and successors-in-title, or any one of them as the context may require;
“Pledge and Cession Agreement”	the pledge and cession agreement to be concluded between each Shareholder Investment Company and Insimbi in terms of which each Shareholder Investment Company pledges and cedes its right, title and interest in and to its Released Insimbi Exchange Shares in favour of Insimbi as security for its obligations in terms outlined in the Agreement;
“Prescribed Area”	each magisterial district in South Africa and/or any other country where AMGH and/or any AMR Corporate Group Company conducts the Business on the Termination Date;
“Prescribed Client”	any person: <ul style="list-style-type: none"> a) who is or was a client of AMGH or any AMR Corporate Group Entity as at the Termination Date; b) who is or was a prospective client of AMGH or any AMR Corporate Group Entity as at the Termination Date whom AMGH or any AMR Corporate Group Entity had approached to do business with it within the period of 12 months preceding the Termination Date; or to whom Prescribed Services were rendered and/or Prescribed Products sold by AMGH or any AMR Corporate Group Entity within the period of 12 months preceding the Termination Date;
“Prescribed Services”	any and all services rendered by AMGH or any AMR Corporate Group Entity in the ordinary course of its Business from time to time;
“Prescribed Supplier”	any person who: <ul style="list-style-type: none"> a) is or was a supplier of Prescribed Products and/or Prescribed Services to AMGH or any AMR Corporate Group Entity at the Termination Date; b) is or was a prospective supplier of Prescribed Products and/or Prescribed Services to AMGH or any AMR Corporate Group Entity at the Termination Date whom AMGH or any AMR Corporate Group Entity had approached to do business with it within the period of 12 months preceding the Termination Date; or supplied Prescribed Products and/or Prescribed Services to AMGH or any AMR Corporate Group Entity within the period of 12 months preceding the Termination Date;
“Prime Rate”	the publicly quoted prime rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 day year irrespective of whether or not the year is a leap year) as published by The Standard Bank of South Africa Limited (or its successor) as being its prime rate from time to time, as certified by any manager of such bank (whose authority, appointment and/or designation need not be proved);
“Principals”	collectively, Coombs, Combrink and Steenkamp, or any one or more of them as the context may require;
“Properties”	collectively, the Devland Property, the Booyens Property and the Roodepoort Property or any one or more of them, as the context may require;
“Roodepoort Property”	Portion 1 of 103 and Portion 1 of 123 Manufacta Township, Registration Division I.Q. in the Province of Gauteng, measuring 6,799 square meters held by Spring Lights in terms of Title Deed T23907/2010;
“Rand” or “R”	South African Rand, the official currency of South Africa;

DEFINITIONS AND INTERPRETATIONS

“Register”	Securities register of Insimbi Shareholders maintained by Insimbi in terms of the Companies Act, including the register of certificated shareholders and the sub-registers of dematerialised shareholders maintained by the relevant CSDPs in accordance with the Companies Act;
“Restrained Period”	in the case of: <ul style="list-style-type: none"> a) Coombs and his associated Vendors (as set out in the Agreement) means the period commencing on the effective date of the Transactions and expiring five years after the Termination Date of Coombs; b) Steenkamp and his associated Vendors (as set out in the Agreement) means the period commencing on the effective date of the Transactions and expiring five years after the Termination Date of Steenkamp; c) Combrink and his associated Vendors (as set out in the Agreement) means the period commencing on the effective date of the Transactions and expiring five years after the Termination Date of Combrink;
“Released Insimbi Exchange Shares”	the number of Insimbi Exchange Shares to be released and transferred by the Insimbi Exchange Shares Trustee to the Shareholder Investment Companies pursuant to the Agreement, which calculation is outlined in paragraph 10.3.2 of this Circular and which is described in 10.3.3 of this Circular;
“Revised Listing Particulars”	the information set out in the part of this Circular entitled “Revised Listing Particulars” (including the annexures thereto), which has been provided to Insimbi Shareholders as part of this Circular, in compliance with the Listings Requirements;
“Securities”	has the meaning given to that term in the Companies Act;
“Securities Law”	the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities of the JSE;
“SENS”	the Stock Exchange News Service of the JSE;
“Share Exchange”	the share exchange transaction pursuant to the Agreement, described in further detail in paragraph 10.1 of this Circular;
“Shareholder Investment Companies”	collectively: <ul style="list-style-type: none"> (a) the CC Share Trust Investment Company; (b) the LSL Share Trust Investment Company; (c) the JCCD Share Trust Investment Company; (d) the CC Investment Trust Investment Company; (e) the LSC Investment Trust Investment Company; and (f) the JCCD Investment Trust Investment Company; or any one or more of them as the context may require;
“Shareholder Trusts”	collectively: <ul style="list-style-type: none"> (a) the CC Share Trust; (b) the LSL Share Trust; (c) the JCCD Share Trust; (d) the CC Investment Trust; (e) the LSC Investment Trust; and (f) the JCCD Investment Trust; or any one or more of them as the context may require;
“Signature Date”	the date upon which each of the Parties to the Agreement has signed the Agreement or, in the event of them having signed the Agreement on different dates, the date of the last signature hereof;
“South Africa”	the Republic of South Africa;
“Spring Lights”	Spring Lights 1135 CC, registration number 2016/307562/07, a private company incorporated under the laws of South Africa and is a wholly owned subsidiary of AMGH as detailed in Annexure 1;
“Spring Lights Transaction”	the transaction in terms of which the CC Share Trust Investment Company, the LSL Share Trust Investment Company and the JCCD Share Trust Investment Company shall cede, assign and transfer their respective shares in Spring Lights (being all of the shares in the issued share capital of Spring Lights) to AMGH in exchange for AMGH issuing 717 ordinary no par value shares to the CC Share Trust Investment Company, the LSL Share Trust Investment Company and the JCCD Share Trust Investment Company on the terms and conditions agreed in writing between those Parties;

DEFINITIONS AND INTERPRETATIONS

“Steenkamp”	Herman Karel Steenkamp, in his personal capacity;
“STT Act”	the Securities Transfer Tax Act, No. 25 of 2007;
“Strate”	Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated under the laws of South Africa and the electronic settlement system for settlements that take place on the JSE and off-market trades;
“subsidiary”	a subsidiary as defined in the Companies Act;
“Subscription”	the subscription by Insimbi Alloy for the Subscription Shares pursuant to the Agreement, as described in paragraph 10.4 of this Circular;
“Subscription Price”	an aggregate amount of R234 000 000;
“Subscription Shares”	93 600 ordinary no par value shares in the issued share capital of AMGH representing the entire share capital of AMGH subject to the successful conclusion of the Insimbi Fundraising;
“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;
“Suspensive Conditions”	the suspensive conditions to the Agreement referred to in paragraph 11 of this Circular;
“Tax”	all present and future tax and other charges of any kind or nature whatsoever imposed, levied, collected, withheld or assessed by any competent authority, including but not limited to, all income tax (whether based on or measured by income/revenue or profit of any nature or kind or otherwise and whether levied under the Tax Act or otherwise), capital gains tax, employees tax (including Pay As You Earn, Unemployment Insurance and skills development levies), VAT, donations tax, dividend withholding tax, royalty and interest withholding tax, stamp duty, Securities transfer tax, customs duty and all charges in the nature of taxation, and any interest, penalties, fines and other payments on, or in respect thereof (and “Taxation” shall have a corresponding meaning);
“Tax Act”	the Income Tax Act, No.58 of 1962;
“Termination Date”	the date on which the employment of Coombs, Steenkamp or Combrink, as the case may be, by AMGH ceases or is terminated for any reason whatsoever;
“Transactions”	collectively, the Share Exchange and the Subscription, or either one of them as the context may require;
“Transaction Escrow Agent”	Falcon and Hume Incorporated, a firm of practicing attorneys in terms of the Attorneys Act, 1979, whose details are set out in the “corporate information and advisors” section of this Circular and who is also the Legal Advisor to Insimbi;
“Transaction Escrow Mandate”	the mandate to be concluded between the Transaction Escrow Agent, Insimbi Alloy and AMGH which sets out the terms and conditions on which the Transaction Escrow Agent will receive, hold and release the Subscription Price in terms of the Agreement;
“Transaction Dividend”	the dividend in the aggregate amount of R234,000,000 less the amount of the Directors’ Loan Repayments, to be declared by the AMGH Board in favour of the Shareholder Investment Companies (being the only shareholders in AMGH as at the date that such dividend is declared) in proportion to their respective shareholding in AMGH as at the date that such dividend is declared, as contemplated in paragraph 9 of this Circular;
“transfer secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company incorporated under the laws of South Africa;
“VAT”	value added tax, levied in terms of the provisions of the Value-Added Tax Act, No.89 of 1991;
“Vendors”	collectively, the Principals, the Shareholder Trusts and the Shareholder Investment Companies or any one or more of them as the context may require;
“Vendors’ Representative”	Coombes, or such other person of which the Vendors might notify the Insimbi in writing from time to time;
“VWAP”	the volume weighted average price of all shares in the issued ordinary share capital of Insimbi traded on the JSE on any day with reference to the aggregate value of all such shares traded on any day divided by the aggregate number of all such shares traded on such day; and
“Zamsaf”	Zamsaf Properties Proprietary Limited, registration number 2000/003531/07, a private company incorporated under the laws of South Africa and is a wholly owned subsidiary of Spring Lights as detailed in Annexure 1.



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED

Insimbi Refractory and Alloy Supplies Limited
(Incorporated in the Republic of South Africa)

Registration number 2002/029821/06

JSE Share Code: ISB

ISIN Code: ZAE000116828

Directors

Executive

Pieter Schutte (Chief Executive Officer)
Frederik Botha (Financial and Commercial Director)
Colin Botha
Eduard Liechti

Non-executive

Lerato Okeyo* (Chairperson)
Cleopatra Shiceka*
Pamela Mogotlane
Nelson Mwale
Brian Craig*
* Independent

CIRCULAR TO INSIMBI SHAREHOLDERS

1. INTRODUCTION

On 14 September 2016, it was announced on SENS that Insimbi entered into a share exchange and subscription agreement in terms of which Insimbi will, subject to the fulfillment of the Suspensive Conditions outlined in paragraph 11, acquire the AMR Corporate Group, as follows:

- 1.1. Subject to the completion of the Spring Lights Transaction outlined in paragraph 8 of the Circular, the Transaction Dividend outlined in paragraph 9 of the Circular and the terms and conditions set out in the Agreement, the Shareholder Investment Companies shall cede, assign and transfer their AMGH Exchange Shares to Insimbi (which will accept such cession, assignment and transfer) in exchange for which Insimbi shall issue and deliver to the Shareholder Investment Companies (who will subscribe for and accept delivery of) the Insimbi Exchange Shares in the manner described in further detail in paragraph 10.1 of this Circular.
- 1.2. The Insimbi Exchange Shares will be issued by Insimbi to the Shareholder Investment Companies pursuant to the Share Exchange set out in paragraph 10.1 of this Circular on completion of the Transactions, and if the NPAT Target during the NPAT Target Period is not reached, it shall accordingly be subject to adjustment as set out in paragraph 10.3 of this Circular.

The salient terms of the Transactions are set out in paragraph 10 of this Circular.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Insimbi Shareholders with relevant information relating to the Transactions and to give notice of a General Meeting of Insimbi Shareholders in order to consider and, if deemed fit, to pass the resolutions necessary to approve and implement the Transactions in accordance with the Listings Requirements and the Companies Act. A notice convening such a meeting is attached to, and forms part of this Circular.

2.1 Reverse take-over

As at the Signature Date, the aggregate value of the Transactions as a percentage ratio of the aggregate market value of all listed Insimbi Shares, excluding treasury shares and shares held in terms of paragraph 9.2 of the Listings Requirements exceeds 100%. 150 000 000 new Insimbi Shares are to be issued which constitutes 57.69% of the existing Insimbi Shares in issue of 260 000 000 shares and will be 36.6% of the new issued share capital on successful completion of the Transactions which will be 410 000 000 Insimbi Shares.

Consequently, Insimbi will be regarded as having undertaken a reverse takeover in accordance with the Listings Requirements. As such, Insimbi Shareholders are cautioned that the Transactions will be subject to the JSE confirming that the Company complies with all the requirements for a new listing on the Main Board of the JSE.

The Transactions do not constitute a related party transaction in terms of the Listings Requirements.

2.2 Revised Listing Particulars

As a consequence of 2.1 above, this Circular includes Revised Listing Particulars as required in terms of the Listings Requirements.

2.3 Insimbi Shareholder approval

The voting power of the new Insimbi Shares by way of the Insimbi Fundraising pursuant to the Transactions will exceed 30% of the voting power of all the Insimbi Shares held by Insimbi Shareholders immediately before the new issue. Accordingly, in terms of the Companies Act, the issue of the Insimbi Shares requires approval of Insimbi Shareholders by way of special resolution passed by at least 75% of the voting rights exercised on such resolution at the General Meeting of Insimbi Shareholders.

Furthermore, as outlined in paragraph 2.1 above, the Transactions constitute a reverse take-over wherein the acquisition requires approval of Insimbi Shareholders by way of an ordinary resolution passed by at least 50% of the voting rights exercised on such resolution at the General Meeting of Insimbi Shareholders.

3. GENERAL MEETING

A General Meeting of Insimbi Shareholders will be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa on Monday, 5 December 2016 at 14:00, to consider and, if deemed fit, approve the resolutions.

Details of the action required by the Insimbi Shareholders regarding the General Meeting are set out on page 6 of this Circular.

4. NATURE OF INSIMBI'S BUSINESS

Insimbi's business model comprises four distinct segments. These include the steel, foundry, refractory and the plastics segment. The Company provides the steel, aluminium, cement and foundry industries with resource-based commodities like ferrous and non-ferrous alloys, as well as refractory materials, by integrating the supply, logistics and technical support function. The Company was listed on the AltX of the JSE on 13 March 2008 before listing on the Main Board of the JSE on 20 January 2012. The Company is a leading specialist in meeting the needs of specific industries and target markets in the infrastructure sector.

Over the past decades, Insimbi has developed its core expertise with the ability to source and provide the industrial consumer globally, with the required commodity. The Group exposes itself to various risks due to the nature of its extended services. These risks are monitored on an ongoing basis and to date, the Company has been able to identify and eliminate or mitigate the risks in advance.

The risks include but are not limited to the global and local economic environment, industrial action in the mining industry, diversification, empowerment credentials, wellbeing of Insimbi's employees, the energy price and the availability thereof.

Insimbi's business model has, over the years, evolved into three manufacturing entities and ten separate divisions that operate from its Wadeville, Germiston head office which complement each other while providing Insimbi's business model with an inherent diversification which has proven to be resilient and sustainable through various commodity and trading cycles experienced over Insimbi's operational life, spanning back to the 1970s.

An outline of the Group's structure is set out in Annexure 1 to this Circular.

5. NATURE OF THE AMR CORPORATE GROUP'S BUSINESS

As a licenced second hand scrap metals dealer, the AMR Corporate Group facilitates the aggregation, processing, recycling and sale of scrap metal. In particular, the business purchases ferrous and non-ferrous metals and collects, sorts and processes all forms of ferrous metals (iron and steel) and non-ferrous metals (aluminium, copper, stainless steel, lead, nickel, brass, tin, bronze and more). The business purchases from a variety of sources such as the general public, construction and demolition contractors, local scrap metal traders, manufacturing companies and state owned entities.

The AMR Corporate Group's business model has enabled it to provide its customers with highly competitive pricing while adhering to the laws applicable to second hand goods laws and has shown compliance with regard to inspections conducted by the South African Police Service, Citi-power, Eskom, Health and Emergency Department Services.

The AMR Corporate Group's business is conducted from three facilities located on the Properties. The registered holders of the properties from which the business operates includes Spring Lights and its subsidiary, Zamsaf. As the Properties are an integral part of the AMR Corporate Group's day-to-day operations, the acquisition of the AMR Corporate Group holding each of Spring Lights, AMR, AMRSA and AMRWR shall be considered as one indivisible transaction in its entirety. Furthermore, AMGH is a newly formed company incorporated to facilitate the Transactions.

An outline of the AMR Corporate Group's structure is set out in Annexure 1 to this Circular and the details of the Spring Lights Transaction is outlined in paragraph 8 below of this Circular.

6. OVERVIEW OF THE TRANSACTIONS

On 13 September 2016, Insimbi entered into the Agreement for the acquisition of the AMR Corporate Group by the Acquirors. Details of the salient terms of the Spring Lights Transaction, the Transaction Dividend and the Transactions are detailed in paragraph 8 to 10 below. Further details of the AMR Corporate Group and the AMGH Exchange Shares to be acquired by the Acquirors are set out in Annexure 2 to this Circular. As such, the salient terms to the Agreement are set out in paragraph 7 to 10 below.

Furthermore, the Parties have prepared and submitted the Competition Authorities Notification prior to the Signature Date.

6.1 Introduction and rationale of the Transactions

Insimbi's business model has over the years evolved into the four distinct segments, outlined in paragraph 4 above, which complement each other while providing Insimbi's business model with an inherent diversification which has proven to be resilient and sustainable. Consequently, the Board acknowledges the importance of enhancing the size and nature of operations of the Group as well as eliminating or mitigating the risks to which the Group exposes itself. The Transactions contemplated in this Circular facilitate the Group's strategy of escalating the resilience of the operations of the Company through varying revenue streams and operational costs.

7. THE AGREEMENT

The completion of the Transactions is subject to the finalisation of the Spring Lights Transaction and the Transaction Dividend being declared. As such, the salient terms of the Agreement entered into by the Parties are detailed in paragraph 8 to 10 below.

8. THE SPRING LIGHTS TRANSACTION

Within 3 Business Days after the Completion Date (or such later date as the Vendors' Representative and Insimbi may agree in writing) but prior to the declaration of the Transaction Dividend detailed in paragraph 9 below, the Vendors shall procure that the Spring Lights Transaction is implemented.

9. THE TRANSACTION DIVIDEND

- 9.1 Within 3 Business Days after the Completion Date (or such later date as the Vendors' Representative and Insimbi may agree in writing) but after the implementation of the Spring Lights Transaction outlined in paragraph 8 above, the Vendors shall procure that the AMGH Board resolves to declare the Transaction Dividend, the form and content of which resolution(s) shall be reasonably acceptable to Insimbi.
- 9.2 AMGH shall, subject to the prior provision by each Shareholder Investment Company to AMGH of a declaration as contemplated in section 64G(2)(a) of the Tax Act, pay the Transaction Dividend to each of the Shareholder Investment Companies within 3 Business Days after the Closing Date (or such later date as the Vendors' Representative and Insimbi may agree in writing), subject to the Subscription Price having been paid by Insimbi Alloy to AMGH as described in more detail in paragraph 10.4.2 of this Circular.
- 9.3 In the event that the AMGH Board does not resolve to declare the Transaction Dividend as contemplated in (and within the time period contemplated in) paragraph 9.1 above then, without prejudice to any Parties' remedies under the Agreement or at law arising from such failure, the Agreement shall terminate. The Transaction Dividend is paid from the AMGH level as it is deemed to be the most efficient method for the Vendors purchase consideration to be settled.

10. THE TRANSACTIONS

10.1 The Share Exchange

- 10.1.1 Pursuant to paragraph 1.1 and 1.2 of this Circular, Insimbi shall issue and deliver the Insimbi Exchange Shares to the Shareholder Investment Companies in the following prescribed manner:
- 10.1.1.1 on the Closing Date, Insimbi shall issue 50,000,000 Insimbi Shares as is equal to R50 000 000 at R1.00 per Insimbi Share which was determined by R50 000 000 divided by an issue price per Insimbi Share that is the lower of:
- 10.1.1.1.1 the Insimbi Trading Price of R1 per share; and
- 10.1.1.1.2 the lowest price at which Insimbi issues (or has agreed to issue) Insimbi Shares as part of the Insimbi Fundraising;
- 10.1.1.2 the Insimbi Exchange Shares issued by Insimbi as described in paragraph 10.1.1.1 above shall be issued to, and held by, the Insimbi Exchange Shares Trustee in trust for and on behalf of the Shareholder Investment Companies in terms of section 40(5)(b)(ii) of the Companies Act pending fulfillment (or otherwise) of the condition set out in paragraph 1.2 above and otherwise shall be held in accordance with the terms and conditions of the Agreement and the Insimbi Exchange Shares Mandate;
- 10.1.1.3 It should be noted that the vendor placement is not yet agreed upon and will be undertaken subject to the Transactions being approved. The Transaction Dividend is not a payment for the vendors restraint of trade to which they agreed. Hence, it is not a specific issue of shares for cash in terms of the Listings Requirements. The pricing of the AMR Corporate Group was determined at R284 million based on a DCF performed by Insimbi and was negotiated on an arm's length basis as there are no related parties.
- 10.1.1.4 the Insimbi Exchange Shares issued to, and held by, the Insimbi Exchange Shares Trustee shall be held in trust for and on behalf of the Shareholder Investment Companies in proportion to their shareholding in AMGH, being 1/3 (one third) each, immediately prior to the Closing Date; and
- 10.1.1.5 on and with effect from the Closing Date but subject to the other terms of the Agreement, all risk in and benefits attaching to the Insimbi Exchange Shares shall pass to the relevant Shareholder Investment Companies who shall also be the Beneficial Owner of the Insimbi Exchange Shares concerned.
- 10.1.2 The cession, assignment and transfer of the AMGH Exchange Shares contemplated in the Share Exchange is indivisible and shall only be capable of being ceded, assigned and transferred by each of the Shareholder Investment Companies to Insimbi together as one indivisible transaction; accordingly, any failure to implement any component of the cession, assignment and transfer of the AMGH Exchange Shares shall constitute a Material breach in relation to the remaining components of the Share Exchange in respect of which the aggrieved Party shall be entitled to the rights and remedies contemplated in the Agreement.
- 10.1.3 The AMGH Exchange Shares are ceded, assigned and transferred to Insimbi free from any and all Encumbrances and, except for the right to receive payment of the Transaction Dividend (which shall remain payable to the Shareholder Investment Companies pursuant to the declaration of the Transaction Dividend as set out in paragraph 9.1 of this Circular and shall not be ceded, assigned and transferred to Insimbi), shall be ceded, assigned and transferred with all remaining rights attaching thereto.
- 10.1.4 The Insimbi Exchange Shares shall be validly issued to the Shareholder Investment Companies free from any and all Encumbrances and shall rank *pari passu* in all respects with the existing Insimbi Shares and shall be issued subject to such terms and conditions as may be imposed by the JSE and the Securities Laws.
- 10.1.5 Insimbi shall procure that the Insimbi Exchange Shares are admitted to trading on the JSE within 5 Business Days after they have been issued to the Insimbi Exchange Shares Trustee.
- 10.1.6 The Shareholder Investment Companies and Insimbi acknowledge, agree and undertake that section 42 of the Tax Act applies to the Share Exchange and no election will be made in terms of section 42(8A)(a) of the Tax Act not to apply the provisions of section 42. For this purpose, in the Agreement, it is recorded and agreed between the Parties that:
- 10.1.6.1 the market value of the AMGH Exchange Shares are equal to or exceed the base cost (as contemplated in the Eighth Schedule to the Tax Act) of such assets on the Closing Date;
- 10.1.6.2 Insimbi will acquire the aforesaid assets from the Shareholder Investment Companies as capital assets; and

- 10.1.6.3 each Shareholder Investment Company will, at the close of the day on the Closing Date, hold a qualifying interest (as defined in section 42 of the Tax Act) in Insimbi.
- 10.1.7 Ownership, risk and benefit in the AMGH Exchange Shares
 - 10.1.7.1 ownership of the AMGH Exchange Shares shall pass from the Vendors to Insimbi on the Closing Date against the Insimbi Exchange Shares being issued to the Insimbi Exchange Shares Trustee in the manner described in paragraph 10.1.1.1 of this Circular; and
 - 10.1.7.2 subject to paragraph 10.1.3 above, all risk and benefit in and to the AMGH Exchange Shares shall be deemed to have passed from the Vendors to Insimbi on the Closing Date.

10.2 Completion of the Share Exchange

- 10.2.1 Completion of the Share Exchange shall occur at 12pm on the Closing Date at the offices of the Legal Advisor to Insimbi (or at such other time and/or such other place as Insimbi and the Vendors' Representative may agree in writing) at which meeting the Shareholder Investment Companies shall deliver to Insimbi:
 - 10.2.1.1 the original share certificate(s) in respect of their respective AMGH Exchange Shares;
 - 10.2.1.2 share transfer forms in respect of their respective AMGH Exchange Shares, duly authorised and signed on behalf of each of the Shareholder Investment Companies as transferor and reflecting Insimbi as transferee;
 - 10.2.1.3 subject to Coombs and Steenkamp being appointed as directors to each member of the AMR Corporate Group, for the duration of the NPAT Target Period:
 - 10.2.1.3.1 letter(s) of resignation of the Shareholder Investment Companies' remaining nominee director(s) of AMGH (other than Coombs and Steenkamp) in terms of which the resigning directors also warrant that they have no claims against AMGH, including any claims arising from their employment by AMGH;
 - 10.2.1.4 resolutions by the AMGH Board:
 - 10.2.1.4.1 authorising registration of transfer of the AMGH Exchange Shares from the Shareholder Investment Companies into the name of Insimbi; and
 - 10.2.1.4.2 noting the resignation of the Shareholder Investment Companies' remaining nominee(s) as director(s) of AMGH (if any);
 - 10.2.1.5 resolutions of the shareholders of AMGH appointing Insimbi's nominee(s) as director(s) of AMGH (subject to Insimbi having delivered to AMGH the written consent of Insimbi's nominee(s) to act as directors of AMGH pursuant to section 66(7)(b) of the Companies Act, together with certified copies of the identity documents of each of the nominees); and
 - 10.2.1.6 all the books and records of the AMR Corporate Group, including without derogating from the generality thereof the minute books, securities register, registration certificate, memorandum of incorporation, books of account, title deeds and the like by making those available at the Johannesburg premises of AMGH.
- 10.2.2 On the Closing Date and against Insimbi having issued the Insimbi Exchange Shares to the Insimbi Exchange Shares Trustee as described in paragraph 10.1.1 of this Circular, AMGH shall update its Securities register to reflect the transfer of the AMGH Exchange Shares from the Shareholder Investment Companies to Insimbi and issue and deliver the original share certificate(s) in respect of the AMGH Exchange Shares to Insimbi.
- 10.2.3 AMGH shall procure that its public officer duly and timeously completes the affidavit contemplated in section 8(1) of the STT Act in respect of the cession, assignment and transfer of the AMGH Exchange Shares, provided that, if the cession, assignment and transfer of the AMGH Exchange Shares is subject to securities transfer tax arising pursuant to the STT, Insimbi shall be liable for such securities transfer tax.
- 10.2.4 Neither the Insimbi Exchange Shares Trustee nor the Shareholder Investment Companies shall Dispose of the Insimbi Exchange Shares during the NPAT Target Period and for so long as they are the subject of the pledge and cession described in the Agreement.
- 10.2.5 Insimbi may not Dispose of the AMGH Exchange Shares for so long as the Insimbi Exchange Shares are held by the Insimbi Exchange Shares Trustee.

10.3 Insimbi Exchange Shares

10.3.1 Within 20 Business Days after the expiry of the NPAT Target Period, Insimbi shall calculate and notify the Vendors of the Actual NPAT, provided that:

10.3.1.1 the Actual NPAT calculation shall be determined utilising the available audited accounts of the AMR Corporate Group for the NPAT Target Period and in accordance with IFRS;

10.3.1.2 if the Vendors object to any aspect of the calculation of the Actual NPAT, they shall be required to notify Insimbi of their objection(s) in writing within 10 Business Days of receiving such notification, including such detail as may be reasonably necessary for Insimbi to consider such objection and, should Insimbi and the Vendors be unable to resolve the objection within 30 days of the Vendors having provided their notice of objection the dispute may be referred by either the Vendors or Insimbi to the Expert who, acting as an expert and not as an arbitrator, shall finally resolve the dispute; and

10.3.1.3 if the Vendors do not notify Insimbi of any objection(s) to the calculation of the Actual NPAT, as described in 10.3.1.2 above, the Actual NPAT calculated and notified by Insimbi shall be final and binding on the Parties.

10.3.2 The number of Insimbi Exchange Shares to be released and transferred by the Insimbi Exchange Shares Trustee to the Shareholder Investment Companies shall be as follows:

10.3.2.1 if the Actual NPAT is equal to or exceeds the Target NPAT then all of the Insimbi Exchange Shares shall be transferred to the Shareholder Investment Companies; or

10.3.2.2 if the Actual NPAT is less than the Target NPAT then the number of Insimbi Exchange Shares that shall be transferred to the Shareholder Investment Companies shall be calculated in accordance with the following formula:

$$A = B - \frac{[(30\,000\,000 - C) \times 8]}{D}$$

where

A = the number of Insimbi Exchange Shares to be transferred to the Shareholder Investment Companies as described in this paragraph 10.3.2 of this Circular, subject to a minimum of one Insimbi Exchange Share being transferred to each Shareholder Investment Company;

B = the number of Insimbi Exchange Shares issued (calculated as described in paragraph 10.1.1.1 of this Circular);

C = the actual average annual NPAT of the AMR Corporate Group during the NPAT Target Period; and

D = the price at which the Insimbi Shares were issued (which price is described in paragraph 10.1.1.1 of the Circular.

10.3.3 The Released Insimbi Exchange Shares, being the number of Insimbi Exchange shares to be released subject to paragraph 10.3.2. above shall be calculated, released and transferred by the Insimbi Exchange Shares Trustee to the Shareholder Investment Companies:

10.3.3.1 in proportion to their respective shareholding in AMGH immediately prior to the Closing Date;

10.3.3.2 within 10 Business Days after the determination of the Actual NPAT in accordance with the Agreement, as described in paragraph 10.3.1 of this Circular,

and the remainder of the Insimbi Exchange Shares (if any) shall, subject to Insimbi having provided notice timeously to the Shareholder Investment Companies as contemplated in section 40(7)(b) of the Companies Act, be returned by the Insimbi Exchange Shares Trustee to Insimbi and cancelled on account of the condition described in paragraph 1.2 of this Circular not having been fulfilled (or, if applicable, only partially fulfilled).

However, the Insimbi Exchange Shares shall be listed and shall rank *pari passu* to each other with respect to voting rights, dividends and in general all rights other than being freely transferable due to the profit warranty outlined in paragraph 1.2 of the Circular.

Following the condition set out in paragraph 1.2 of the Circular and subject to paragraph 10.3.2, the difference between the Released Insimbi Exchange Shares and the Insimbi Exchange Shares may be subject to a specific repurchase of shares if the NPAT Target is not met during the NPAT Target Period.

10.3.4 The original share certificates in relation to the Released Insimbi Exchange Shares, along with share transfer forms duly signed by each Shareholder Investment Company in relation to its Released Insimbi Exchange Shares but blank as to transferee, shall be delivered to Insimbi pursuant to the Agreement the Pledge and Cession Agreement or if the Released Insimbi Exchange Shares certificates are in dematerialised rather than physical form, the Shareholder Investment Company shall take such steps (or shall procure the taking of such steps) as may be reasonably necessary or desirable to achieve the same or similar delivery or custody or pledge arrangement, as the case may be, subject to the relevant provisions of the Securities Laws and the rules and regulations of the relevant CSDP.

10.4 The Subscription

- 10.4.1 On the Closing Date (immediately after completion of the Share Exchange), Insimbi Alloy shall subscribe for the Subscription Shares at the Subscription Price.
- 10.4.2 On the Closing Date (immediately after completion of the Share Exchange) and against delivery of the documentation referred to in paragraph 10.4.3 below, the Transaction Escrow Agent shall cease to hold the Subscription Price for and on behalf of Insimbi Alloy and shall thereafter hold the Subscription Price for and on behalf of AMGH and to its order.
- 10.4.3 Against the Transaction Escrow Agent confirming in writing to the Acquirors, the Vendors' Representative and AMGH, it holds the Subscription Price for and on behalf of AMGH and to its order in the manner set out in paragraph 10.4.2 above, AMGH shall:
- 10.4.3.1 issue the Subscription Shares to Insimbi Alloy;
 - 10.4.3.2 register Insimbi Alloy in its Securities register in relation to the Subscription Shares; and
 - 10.4.3.3 issue an original share certificate in the name of Insimbi Alloy in relation to the Subscription Shares and deliver such original share certificate to Insimbi Alloy.
- 10.4.4 All costs associated with the creation, allotment and issue of the Subscription Shares shall be borne and paid by AMGH.
- 10.4.5 In the absence of the Transaction Escrow Agent receiving written instructions from AMGH to the contrary, the Transaction Escrow Agent shall pay the Subscription Price into the bank account of AMGH on the Closing Date.
- 10.4.6 The obligations of the Transaction Escrow Agent in terms of the Subscription shall be set out in the Transaction Escrow Agent Mandate.

Furthermore, in terms of the Agreement, the Principles are entitled to nominate certain persons to act as directors of the AMR Corporate Group and Insimbi, as described below:

- 10.4.7 On and with effect from the Closing Date and for the duration of the NPAT Target Period, the Principals shall jointly be entitled (but not obliged) to nominate for appointment:
- 10.4.7.1 two directors to each member of the AMR Corporate Group, who for the duration of the NPAT Target Period, shall be Coombs and Steenkamp; and
 - 10.4.7.2 one director to the Board, who for the duration of the NPAT Target Period, shall be Coombs,

provided that, if either Coombs or Steenkamp are for any reason unable to act as directors in the manner contemplated in paragraph 10.4.7.1 or 10.4.7.2 of this Circular, they may nominate another person with the appropriate skills and experience to be appointed in his or their place as a director.

- 10.4.8 The Principals' entitlement to nominate directors for appointment to the Board of directors of the AMR Corporate Group and Insimbi as described in paragraph 10.4.7 above, shall be subject to the following conditions:
- 10.4.8.1 the Principals shall be entitled to remove and to replace any director appointed by them from time to time and to appoint an alternate to such director and any such appointments or removals shall be made by written notice to the relevant member of the AMR Corporate Group and/or Insimbi, as the case may be, signed by the Principals and, subject to the provision set out in paragraph (10.4.8.2) below, shall be operative as soon as the written notice is received by the relevant member of the AMR Corporate Group and/or Insimbi, as the case may be; and
 - 10.4.8.2 any appointment or removal of a director or and his or her alternate pursuant to the Agreement shall be subject to the processes, procedures and requirements of the Applicable Laws.

- 10.4.9 For the duration of the NPAT Target Period the Principals shall be entitled to manage the day-to-day business and affairs of the AMR Corporate Group and the Business in their discretion and Insimbi shall not willfully do anything, or fail to do anything, with the intention of adversely affecting the AMR Corporate Group's ability or prospects of achieving the Target NPAT.

10.5 Payment of the Transactions

- 10.5.1 Except where the Agreement provides to the contrary, any payments made under and in terms of the Agreement shall be made in cash, unconditionally and in full, without deduction, set-off or counterclaim and free and clear of any deductions or withholdings of any nature by electronic funds transfer in freely transferable readily available funds, free of the cost of transfer of funds.
- 10.5.2 Except where expressly otherwise provided in the Agreement, in the event that a Party fails to make full or timeous payment of any amount due and payable under this Agreement as and when due, the Party entitled to such payment, without prejudice and in addition to any other rights and remedies available to it under the Agreement or at law, shall be entitled to charge and receive, and the Party in default shall pay, interest on the unpaid amount, calculated from the due date until the date on which the unpaid amount is actually paid in full at the Prime Rate.

11. SUSPENSIVE CONDITIONS

The Agreement is subject to and conditional upon the fulfillment or waiver of a number of Suspensive Conditions, on or before the Completion Deadline Date, which include, but is not limited to the following categories of Suspensive Conditions, executed in the prescribed form and manner:

- 11.1 Corporate governance approvals (including but not limited to directors' and shareholders' resolutions) of the Transactions by the Parties;
- 11.2 Supplementary agreements, such as:
- 11.2.1 new employment agreements entered into between the relevant AMR Corporate Group Entity and each of the Principals with respect to the terms and conditions upon which the Principles will be employed by the relevant AMR Corporate Group Entity, in the prescribed form and manner, including appropriate provisions, relating to:
 - 11.2.1.1 the duration of employment being for a minimum period of 5 years;
 - 11.2.1.2 executive remuneration being R2 400 000 per year (on a total cost-to-company basis), escalating at the same rate applicable to the executive directors and senior management of Insimbi;
 - 11.2.1.3 participation in a profit bonus pool in terms of which, if the AMR Corporate Group reports consolidated (audited) EBITDA in excess of R55 000 000 for a particular financial year, which will be an amount of 6% of EBITDA, to be allocated amongst them; and
 - 11.2.1.4 restraint of trade, non-compete, non-solicit and Intellectual Property assignment.
 - 11.2.2 the Vendors' Representative and Insimbi confirm in writing that the Insimbi Exchange Shares Mandate has been concluded with the Insimbi Exchange Shares Trustee on terms and conditions acceptable to them;
 - 11.2.3 the Insimbi Principals have concluded an agreement in writing with the Vendors in relation to the certain arrangements applicable between them regarding the Insimbi Exchange Shares, including pre-emptive rights and market-stabilisation undertakings. The principals of Insimbi have a pre-emptive right to purchase Insimbi Shares from the Vendors should they wish to Dispose of their Insimbi Shares post the NPAT period;
 - 11.2.4 each Shareholder Investment Company has concluded the Pledge and Cession Agreement in favour of Insimbi; and
 - 11.2.5 the Vendors' Representative and Insimbi confirm in writing that the Transaction Escrow Mandate has been concluded between the Transaction Escrow Agent, Insimbi Alloy and the Company on terms and conditions acceptable to them;
- 11.3 Completion of the Insimbi Fundraising in the prescribed form;
- 11.4 Shareholder approval for the Transactions by Insimbi Shareholders confirmed to the Vendors' Representative in the prescribed form;
- 11.5 Generally, completion of the AMR Group Restructure as contemplated in paragraph 2.1 of Annexure 1 (including the declaration and payment, by way of set-off, of the AMR Pre-Acquisition Dividend);

- 11.6 Obtaining the necessary regulatory notifications and approvals for the transactions, including but not limited to the JSE approval for the Transactions (including the Insimbi Fundraising) confirmed by Insimbi to the Vendors' Representatives in the prescribed form and approval from the Competition Authorities;
- 11.7 AMGH has adopted a new memorandum of incorporation; and
- 11.8 Notification from the Vendors to Insimbi that no Material Adverse Change has occurred in relation to the AMR Group (or any member thereof) and Insimbi confirms in writing to the Vendors that no Material Adverse Change has occurred in relation to Insimbi.

12. INTERIM PERIOD

- 12.1 During the Interim Period, the AMR Corporate Group shall (and the Vendors jointly and severally undertake to procure that the AMR Corporate Group shall) carry on and conduct the Business "in the ordinary course" which shall mean with respect to any act by the Vendors or the AMR Corporate Group or any director or employee or agent of the AMR Corporate Group that such act shall be required to be consistent with the past practice of the AMR Corporate Group and the Business and shall be taken in the ordinary course of the day-to-day operations of the AMR Corporate Group and the Business as a sustainable going concern.
- 12.2 Without limiting the generality of the foregoing, during the Interim Period, the AMR Corporate Group shall (and the Vendors shall ensure that the AMR Corporate Group shall):
 - 12.2.1 continue to carry on the Business in the ordinary, normal and regular course;
 - 12.2.2 continue to trade in accordance with the trading style adopted by it as at the Signature Date;
 - 12.2.3 continue to trade with its customers within its usual credit limits and terms on upon its usual terms and conditions of sale;
 - 12.2.4 maintain relations and goodwill with customers having business dealings with the AMR Corporate Group;
 - 12.2.5 make all necessary Tax, governmental and other filings and payments in a timely fashion;
 - 12.2.6 pay all employees all amounts due and payable to them, including wages, overtime claims, salaries, bonuses and commissions;
 - 12.2.7 maintain all facilities, vehicles and other equipment in good working order, fair wear and tear excepted;
 - 12.2.8 comply in all Material respects with and not violate any of its contractual obligations;
 - 12.2.9 comply with all Applicable Laws;
 - 12.2.10 insure and keep insured, all assets against all reasonable business risks;
 - 12.2.11 not undertake any act which will or is likely to prejudice or frustrate the Transactions contemplated in the Agreement or adversely and Materially affect the value of the AMR Corporate Group; and
 - 12.2.12 not do anything that is intended to or is reasonably likely to frustrate or prevent the AMR Corporate Group and/or the Vendors and/or the Acquirors from fully and properly complying with all of their obligations in terms of the Agreement, and shall not agree to do any of the things or take any of the steps contemplated in this paragraph 12.2.
- 12.3 Without limiting the generality of paragraph 12.1 and 12.2 above, the AMR Corporate Group and the Vendors each undertake that, during the Interim Period, they shall:
 - 12.2.13 keep Insimbi informed of:
 - 12.2.13.1 all occurrences which may have a Material Adverse Change on the Business and affairs of the AMR Corporate Group;
 - 12.2.13.2 any occurrence which renders (or may be reasonably expected to render) any of the Warranties, representations and undertakings given by the respective Parties pursuant to the Agreement untrue or incomplete;
 - 12.2.13.3 the operations of the Business and the activities of the AMR Corporate Group and any other matter coming to the attention of the AMR Corporate Group and/or any of the Vendors which would reasonably be relevant to an intending purchaser of the Company Exchange Shares or subscriber for the Subscription Shares; and
 - 12.2.13.4 do all such things (and, where applicable, not omit to do any such thing) as may be reasonably necessary in order to maintain the goodwill, prospects and financial viability of the AMR Corporate Group and the Business.

12.4 The undertakings set out in paragraph 12.1, 12.2 and 12.3 above shall apply to any (other) subsidiary of the AMR Corporate Group.

12.5 The Agreement does, however, state that the Acquirors shall not, prior to the date on which the Suspensive Conditions described in paragraph 11 of this Circular is fulfilled, be entitled to exert any influence in relation to the Business and affairs of the AMR Corporate Group that would constitute prior implementation and accordingly be in breach of the Competition Act.

13. RESTRAINT OF TRADE AND NON-SOLICITATION UNDERTAKINGS

13.1 Each of the Vendors have agreed to restraint of trade undertakings in favour of AMGH and each member of the AMR Corporate Group, their respective affiliates, any partnership in which any member of the AMR Corporate Group is a partner and any joint venture company of any member of the AMR Corporate Group has an ownership interest ("AMR Corporate Group Company"), which restraint of trade undertakings are usual for a transaction of this nature. The salient terms of the restraint of trade undertakings (amongst other things) are that for the duration of the Restrained Period, the Vendors shall:

13.1.1 not undertake any activity that is the same as or similar to or directly competitive with the Business in the Prescribed Area; or

13.1.2 do anything that falls outside of the Prescribed Area, which has the effect of causing prejudice to AMGH or an AMR Corporate Group Company in the Prescribed Area.

13.2 Each of the Vendors have also agreed to certain non-solicitation undertakings that the Vendors will not directly or indirectly, for the duration of the Restrained Period and in any part of the Prescribed Area, whether for reward or not, directly or indirectly:

13.2.1 encourage or entice or incite or persuade or induce any other employee of AMGH or of any AMR Corporate Group Company as at the Termination Date, to terminate his employment by AMGH or of any AMR Corporate Group Company;

13.2.2 furnish any information or advice (whether oral or written) in respect of any employee to whom the foregoing undertaking applies or to any prospective employer of such employee or use any other means which are directly or indirectly designed, or in the ordinary course of events calculated, to result in any such employee terminating his employment by AMGH or of any AMR Corporate Group Company or becoming employed by or directly or indirectly in any other way interested in or associated with any other person; or

13.2.3 furnish any information or advice (whether oral or written) to any Prescribed Client and/or Prescribed Supplier or use any other means or take any other action which is directly or indirectly designed, or in the ordinary course of events calculated, to result in any such Prescribed Client and/or Prescribed Supplier terminating or reducing its or his association with AMGH or any AMR Corporate Group Company or transferring his business to or purchasing and/or supply any Prescribed Products and/or Competing Products and/or accepting the rendering of any Prescribed Services and/or Competing Services from any person other than AMGH or any AMR Corporate Group Company, or attempt to do so.

13.3 In addition, the Restrained Parties further undertook that they shall not in any part of the Prescribed Area, directly or indirectly in any capacity whether for reward or not:

13.3.1 solicit orders from any Prescribed Client for the Prescribed Products and/or any Competing Products and/or for the Prescribed Services and/or any Competing Services;

13.3.2 canvass business in respect of the Prescribed Products and/or any Competing Products and/or the Prescribed Services and/or Competing Services from any Prescribed Client;

13.3.3 sell or otherwise supply any prescribed products and/or Competing Products to any Prescribed Client;

13.3.4 render any Prescribed Services and/or Competing Services to any Prescribed Client;

13.3.5 commence employment with any Prescribed Client and/or Prescribed Supplier; and/or

13.3.6 solicit appointment as a distributor, licensee, agent or representative of any Prescribed Supplier in respect of Prescribed Products and/or Prescribed Services, including on behalf of or for the benefit of a Prescribed Supplier.

14. WARRANTY

The Vendors give standard commercial warranties in favour of the Acquirors that are usual for a transaction of this nature.

15. DEBT ARRANGEMENTS

The debt funded component of the Insimbi Fundraising will be covered by new debt facilities to be made available by third party financial institutions to Insimbi for purposes of the Transactions. In particular, Insimbi intends to borrow a total amount of up to R135 000 000, which will be sufficient to cover the debt funded component of the Insimbi Fundraising. The details of which are included in Annexure 3 of the Circular. Should there be any Material changes to the terms of the indicative facilities agreements enclosed in Annexure 3 of the Circular, Insimbi Shareholders will be advised of such changes on SENS.

16. PROSPECTS

Following the implementation of the Transactions, Insimbi will grow and further diversify the Group's revenue streams, cash flows and profitability which is aligned with the Group's strategic plan and policies. With this in mind, Insimbi will continue to keep its focus on maintaining its cost base as low as possible, growing its market towards higher margin products and increasing revenues by providing the best service and quality products in the industry.

Under the most recently reported financial year, the Company has enhanced its focus on black economic transformation. This has been chosen as the Company's chosen pillars for long-term sustainability. Whilst the Board considers the Codes of Good Practice in totality, its greatest priority in the short term has been to provide an inclusive platform through which management and the employees can participate in the success of the Group into the future.

Consequently, the Company takes pride in contributing towards the empowerment of its staff through establishing a structure that places 8.78% (approximately 23 million) of the current shares in issue, in the hands of full-time employees across the Group. To this end, the implementation of the Transactions will further allow employees to participate in the economic benefit and growth that this brings to the Company.

17. FINANCIAL INFORMATION

17.1 Historical financial information of AMGH

The historical combined financial information of AMGH for the financial years ended 28 February 2014, 28 February 2015 and 29 February 2016, are attached as Annexure 4 to this Circular.

The Independent Reporting Accountants' audit report on the historical combined financial information of AMGH for the year ended 29 February 2016 and in the Independent Reporting Accountants' review report on the historical combined financial information of AMGH for the years ended 28 February 2015 and 28 February 2014, are attached to this Circular as Annexure 5 and Annexure 6, respectively.

17.2 Pro forma financial effects of the Transactions and the Insimbi Fundraising

The table below sets out the pro forma financial effects of the Transactions and the Insimbi Fundraising on the published audited consolidated financial results of Insimbi for the year ended 29 February 2016. The pro forma financial effects have been prepared for illustrative purposes only and because of their pro forma nature, may not fairly present Insimbi's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Transactions and the Insimbi Fundraising going forward.

The pro forma financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published audited consolidated financial results of Insimbi for the year ended 29 February 2016. The pro forma financial effects are presented in accordance with the Listings Requirements and the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants and ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus.

The Directors are responsible for the compilation, contents and preparation of the pro forma financial effects. Their responsibility includes determining that the pro forma financial effects have been properly compiled on the basis stated, which is consistent with the accounting policies of Insimbi and that the pro forma adjustments are appropriate for purposes of the pro forma financial information disclosed pursuant to the Listings Requirements.

	Before ¹	Pro forma after the Transactions and the Insimbi Fundraising ²	% change
Earnings and diluted earnings per shares (cents)	12.43	15.99	28.6%
Headlines and diluted headline earnings (cents)	12.42	15.94	28.3%
Weighted and diluted average number of shares ('000)	236 389	386 389	63.5%
Net asset value per share (cents)	64.07	76.15	18.8%
Net tangible asset value per share (cents)	40.82	40.27	(1.3%)
Number of ordinary shares in issue ('000)	260 000	410 000	
Treasury shares in issue ('000)	(22 714)	(22 714)	
Number of shares in issue ('000)	237 287	387 287	

1. The Insimbi information reflected in the "Before" column has been extracted from the published audited consolidated financial statements of Insimbi Refractory and Alloy Supplies Limited for the year ended 29 February 2016.
2. The Insimbi information reflected in the "Pro forma after the Transactions and the Insimbi Fundraising" column has been calculated on the basis that the Transactions have been implemented.
3. The effects on basic earnings, diluted earnings, headline earnings and diluted headline earnings are calculated on the basis that the Transactions and the Insimbi Fundraising were effective 1 March 2015, while the effects on the net asset value and net tangible asset value per share are calculated on the basis that the Transactions and the Insimbi Fundraising were effective 29 February 2016.
4. The acquisition of AMR Corporate Group arising pursuant to the Transactions is accounted for in terms of IFRS 3 (revised): Business Combinations and consequently the results of AMR Corporate Group will be consolidated by Insimbi from the effective date of the Transactions.
5. The issued share capital is increased for the assumed New Insimbi Shares as a consequence of the Insimbi Fundraising and the Share Exchange.
6. The detailed notes and assumptions to the pro forma financial effects are presented in Annexure 7 and the pro forma financial effects should be read in conjunction with the pro forma consolidated income statement and the pro forma consolidated statement of financial position contained therein. The Independent Reporting Accountant's assurance report on the compilation of the pro forma financial information is contained in Annexure 8.

18. SHARE CAPITAL OF INSIMBI

Before the Transactions	Rand
Authorised	
12 000 000 000 ordinary shares of R0.000025 per share	300 000
Issued	
260 000 000 ordinary shares of R0.000025 per share	
Share Premium	44 442 000
	44 442 000
Insimbi has no treasury shares in issue	
After the Transactions	
Authorised	
12 000 000 000 ordinary shares of R0.000025 per share	300 000
Issued	
410 000 000 ordinary shares of R0.000025 per share	10 250
Share Premium	194 438 250
	194 448 500
Insimbi has no treasury shares in issue	

19. WORKING CAPITAL STATEMENT

The Board and Sponsor has considered the effects of the Transactions, and is of the opinion that, after the implementation of the Transactions:

- 19.1 The Group will, in the ordinary course of business, be able to pay its debts for a period of 12 months after the date of this Circular;
- 19.2 the assets of the Group, fairly valued, will be in excess of its liabilities for a period of 12 months after the date of this Circular. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies applied in the latest audited consolidated financial statements in respect of the Group; and
- 19.3 the working capital of the Group will be adequate for ordinary business purposes for a period of 12 months after the date of this Circular.

20. OPINIONS AND RECOMMENDATIONS

The Board has considered the terms and conditions of the Transactions. The Board is of the opinion that the Transactions should be supported and unanimously recommends that Insimbi Shareholders vote in favour of the resolutions to be proposed at the General Meeting. Furthermore, the Board members who own shares in Insimbi intend to vote in favour of the Transactions at the General Meeting.

21. MATERIAL LOANS

Details of the Material loans made to Insimbi and/or any of its subsidiaries, as at the Last Practicable Date, are disclosed in Appendix 2 to the Revised Listing Particulars. Furthermore, the Material loans made to AMGH, as at the Last Practicable Date, are disclosed in Appendix 2 to the Revised Listing Particulars.

22. MAJOR SHAREHOLDERS

Those shareholders in Insimbi (excluding the directors whose interests are detailed in 23.1 and 23.2 below), who directly or indirectly, beneficially hold interests of 5% or more of the issue share capital of Insimbi as at the Last Practicable Date are detailed in paragraph 22.1 below, and details of those shareholders who, directly or indirectly, will beneficially hold interests of 5% or more of the issue share capital of Insimbi after adoption and, where appropriate, filing of the resolutions and implementation of the new Insimbi Shares, are detailed in paragraph 22.2 as follows:

22.1 Major shareholders before the Transactions are set out below:

Shareholder	Number of shares held as at the Last Practicable Date	Shareholding percentage (%)	Number of shares issued in terms of the Insimbi Exchange Shares	Shareholding percentage as a result of the Transactions
Pruta Securities (Jersey) Limited ¹	17 290 000	6.65	–	–
Insimbi EmployeeCo Proprietary Limited	13 000 000	5.00	–	–
New Seasons Investment Holdings Proprietary Limited ²	52 000 000	20	–	–

1. The investors of Pruta Securities (Jersey) Limited are made up of a number of high net worth individuals and none of the investors involved nor any beneficial owner of Pruta Securities (Jersey) Limited has an interest of more than 5% in Insimbi.
2. The shareholders of New Seasons Investment Holdings Proprietary Limited comprise Ashley Mabogoane (35%), Nelson Mwale (20%), Pamela Mogotlane (10%), Lerato Motloung (5%) and Deican Investments Proprietary Limited (30%).

22.2 Major shareholders after the Transactions are set out below:

Shareholder	Number of shares held as at the Last Practicable Date	Shareholding percentage (%)	Number of shares issued in terms of the Insimbi Exchange Shares	Shareholding percentage as a result of the Transaction
Pruta Securities (Jersey) Limited	17 290 000	4.22	–	–
Insimbi EmployeeCo Proprietary Limited	13 000 000	3.17	–	–
New Seasons Investment Holdings Proprietary Limited	52 000 000	12.68	–	–
TMF Corporate Services (South Africa) Proprietary Limited ¹ on behalf of the Shareholder Investment ² Companies	–	–	50 000 000	12.20

1. TMF Corporate Services (South Africa) Proprietary Limited provides trustees and independent directors to special purpose vehicles. In addition to this, it provides private client services such as company and trust formation, accounting and corporate management, cross-border structuring and execution, investment monitoring and trade execution, real estate investment, and property management.
2. The Insimbi Exchange Shares will be held by TMF Corporate Services (South Africa) Proprietary Limited, who will hold these shares on behalf of the Shareholder Investment Companies. The Shareholder Investment Companies will be the Beneficial Owner of the Insimbi Exchange Shares, subject to the terms of the Agreement.

23. DIRECTORS' INTEREST IN SECURITIES

23.1 Directors' interest in Securities (before the Transactions) are set out below:

Shareholder	Percentage (%)	Direct beneficial	Percentage (%)	Indirect beneficial	Associates	Percentage (%)
CF Botha	32 047 000	12.33	–	–	250 000	0.10
PJ Schutte	32 197 000	12.38	–	–	312 500	0.12
F Botha	32 133 300	12.36	–	–	250 000	0.10
EP Liechti	32 047 000	12.33	–	–	250 000	0.10
	128 424 300	49.40	–	–	1 062 500	0.42

23.1.1. No director has resigned during the 18 months prior to the Last Practicable Date.

23.2 Directors' interest in Securities (after the Transactions) are set out below:

Shareholder	Percentage (%)	Direct beneficial	Percentage (%)	Indirect beneficial	Associates	Percentage (%)
CF Botha	32 047 000	7.82	–	–	250 000	0.06
PJ Schutte	32 197 000	7.85	–	–	312 500	0.08
F Botha	32 133 300	7.84	–	–	250 000	0.06
EP Liechti	32 047 000	7.82	–	–	250 000	0.06
	128 424 300	31.32	–	–	1 062 500	0.26

23.2.1. No Director (including a Director that has resigned in the last 18 months as disclosed in 23.1.1) had any Material beneficial interest, whether direct or indirect, in the Transactions or any other transactions that were effected by Insimbi during the current or immediately preceding financial year, or during an earlier financial year and remain in any respect outstanding or unperformed;

23.2.2. No Director had any interest, direct or indirect, in the promotion of Insimbi or in any property acquired or proposed to be acquired out of the proceeds of the Transactions during the three years preceding the Last Practicable Date and no Director has any such interest currently; and

23.2.3. Insimbi has not paid or accrued as payable any amounts to a promoter or to any syndicate, partnership or other association of which any advisor or promoter was a member, during the three years preceding the Last Practicable Date.

24. DIRECTORS REMUNERATION, BENEFITS, AND SHARE OPTIONS

Details of the Directors' remuneration, benefits and share options are set out in Appendix 3 to the Revised Listing Particulars. Furthermore, details of the Directors service agreements to the Company are set out in paragraph 1 of Appendix 3 of the Revised Listings Particulars.

25. EXPENSES

As at the Last Practicable Date, estimated expenses of R8,466,000 were provided for in respect of the Transactions which will be settled out of cash. Details of the expenses (excluding value-added tax) are set out below:

Details of the expense	Paid/Payable to	Estimated amount (Rand)
Corporate Advisor	Bridge Capital	4 533 000
Sponsor	Bridge Capital	350 000
Independent Reporting Accountants	PricewaterhouseCoopers Inc.	450 000
Independent Legal Advisor to Insimbi	Falcon & Hume	450 000
ABSA (Structuring and arranging fee)	ABSA	1 350 000
Mazars (Due diligence)	Mazars	455 000
Shares Transfer tax		660 000
JSE document inspection and listing fees	JSE	192 000
Printing and postage	Computershare	26 000
Total		8 466 000

No preliminary expenses have been incurred by the Company in the last three years.

26. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in page 13, 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 Circular contains all information required by law and the Listings Requirements.

27. HISTORY OF CHANGE

There has been no change in the controlling shareholder(s) and trading objects of Insimbi and its subsidiaries, in the last five years. Save for the AMR Corporate Group, AMGH, together with the AMR Group which are all newly incorporated entities facilitating the implementation of the Transactions, there has been no change in the controlling shareholder(s) and trading objects of AMR, AMRSA, AMRWR and The Properties, in the last five years.

28. LITIGATION STATEMENT

There are no legal or arbitration proceedings, pending or threatened, of which Insimbi is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, resulting in a Material effect on the financial position of the Group. Similarly, there are no legal or arbitration proceedings, pending or threatened, of which the AMR Corporate Group is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, resulting in a Material effect on the financial position of AMGH.

29. MATERIAL CHANGES

There have been no Material changes in the financial or trading position of Insimbi and its subsidiaries that has occurred since the end of the last financial period for which the audited annual financial statements have been published. Similarly, other than as disclosed in this Circular, there have been no Material changes in the financial or trading position of the AMR Corporate Group Entities that has occurred since the end of the last financial period for which the audited annual financial statements have been presented.

30. MATERIAL CONTRACTS

30.1 Material contracts of Insimbi

Other than those set out in Annexure 3 to this Circular, neither Insimbi nor any of its subsidiaries has entered into any restrictive funding arrangements or contracts that are not carried on in the ordinary course of business, or proposed to be carried on, by Insimbi, either in the two years prior to the date of this Circular or containing an obligation or settlement that is Material to Insimbi or its subsidiaries as at the date of this Circular.

30.2 Material contracts of the AMR Corporate Group

Other than those set out in Annexure 3 to this Circular, the AMR Corporate Group has not entered into any restrictive funding arrangements or contracts that are not in the ordinary course of business carried on, or proposed to be carried on, by the AMR Corporate Group, either in the two years prior to the date of this Circular or containing an obligation or settlement that is Material to the AMR Corporate Group as at the date of this Circular.

31. EXPERTS' CONSENTS

The Corporate Advisor and Sponsor, Independent Reporting Accountants, Legal Advisor to Insimbi and the transfer secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and have not, prior to the Last Practicable Date, withdrawn their consents prior to publication of this Circular and the Revised Listing Particulars which forms part thereof.

32. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents relating to Insimbi and its major subsidiaries (including the AMR Corporate Group and its subsidiaries), or copies thereof, will be available for inspection at the registered office of the Company, 359 Crocker Road, Wadeville, Extension 4, Germiston and at the office of the Corporate Advisor and Sponsor which address is set out in the "corporate information and advisors" section of the Circular, during normal Business Hours from Monday, 7 November 2016 up to and including Monday, 5 December 2016:

- the Insimbi MOI;
- a signed copy of this Circular;
- the AMR Corporate Group MOI;
- the Independent Reporting Accountants report on the pro forma financial information of Insimbi;
- the Independent Reporting Accountants audit report on the historical combined financial information of AMGH;
- the Independent Reporting Accountants' review report on the historical combined financial information of AMGH;
- the Agreement;
- copies of service agreements with directors, managers or secretaries; underwriters, vendors and promoters entered into during the last three years;
- all other Material contracts;
- the written consent letters referred to in paragraph 31 above;
- a copy of the service agreements with directors, managers and/or secretaries;
- the unaudited interim financial results for the six months ended 31 August 2015 of Insimbi; and
- the audited annual financial statements for the years ended 29 February 2016, 28 February 2015 and 28 February 2014 of Insimbi.

33. THE SHARE EXCHANGE AND THE VENDORS

Details of the Acquirors acquisition of the AMR Corporate Group (including details pertaining to the Principals to the Transactions and the consideration payable to the Vendors) are set out in Annexure 2 to this Circular.

Signed at Wadeville by Frederik Botha in his capacity as Commercial and Financial Director on behalf of all the directors of Insimbi, duly authorised in terms of the Board resolution signed by all of Insimbi's directors:



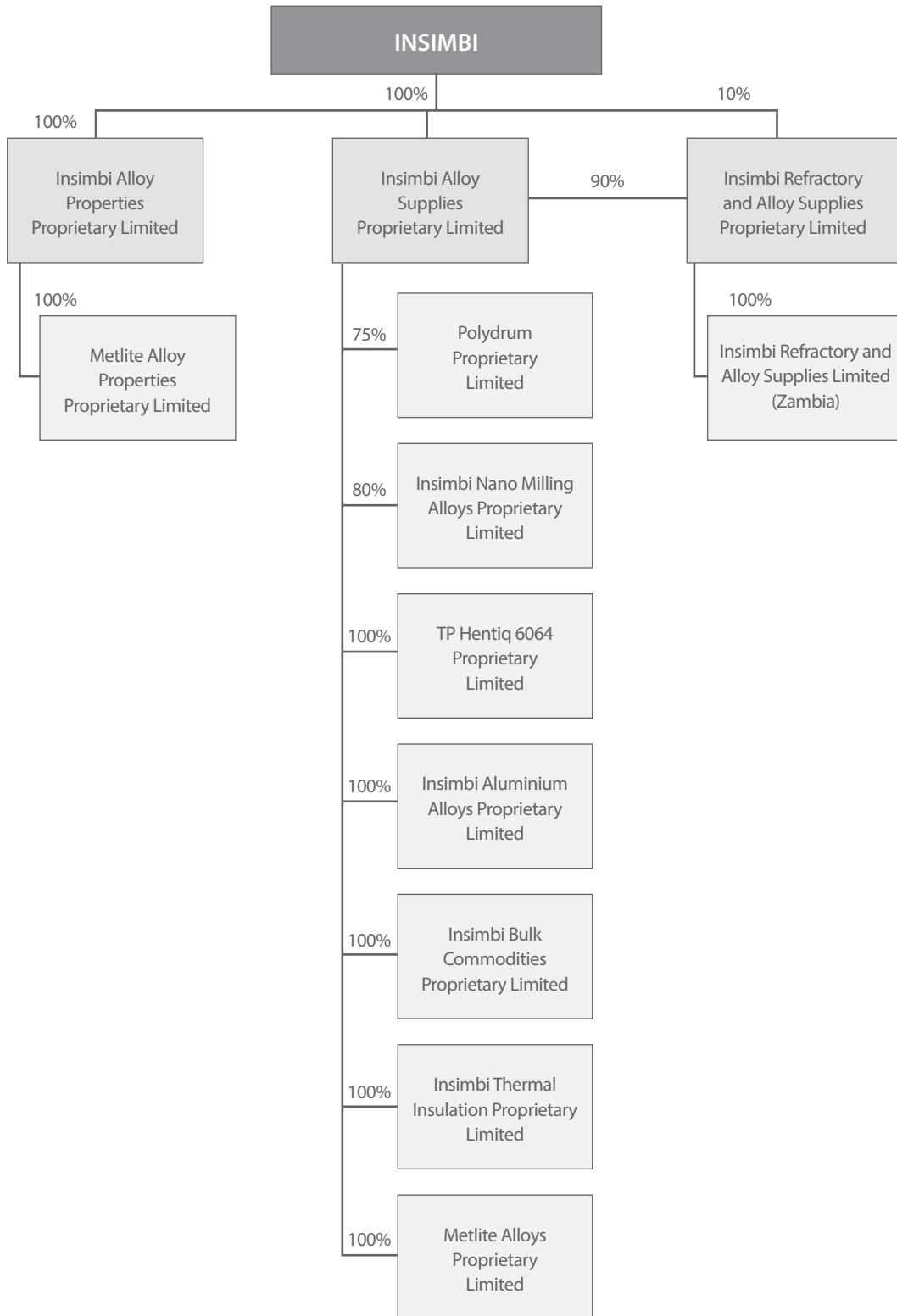
Frederik Botha

Duly authorised

7 November 2016

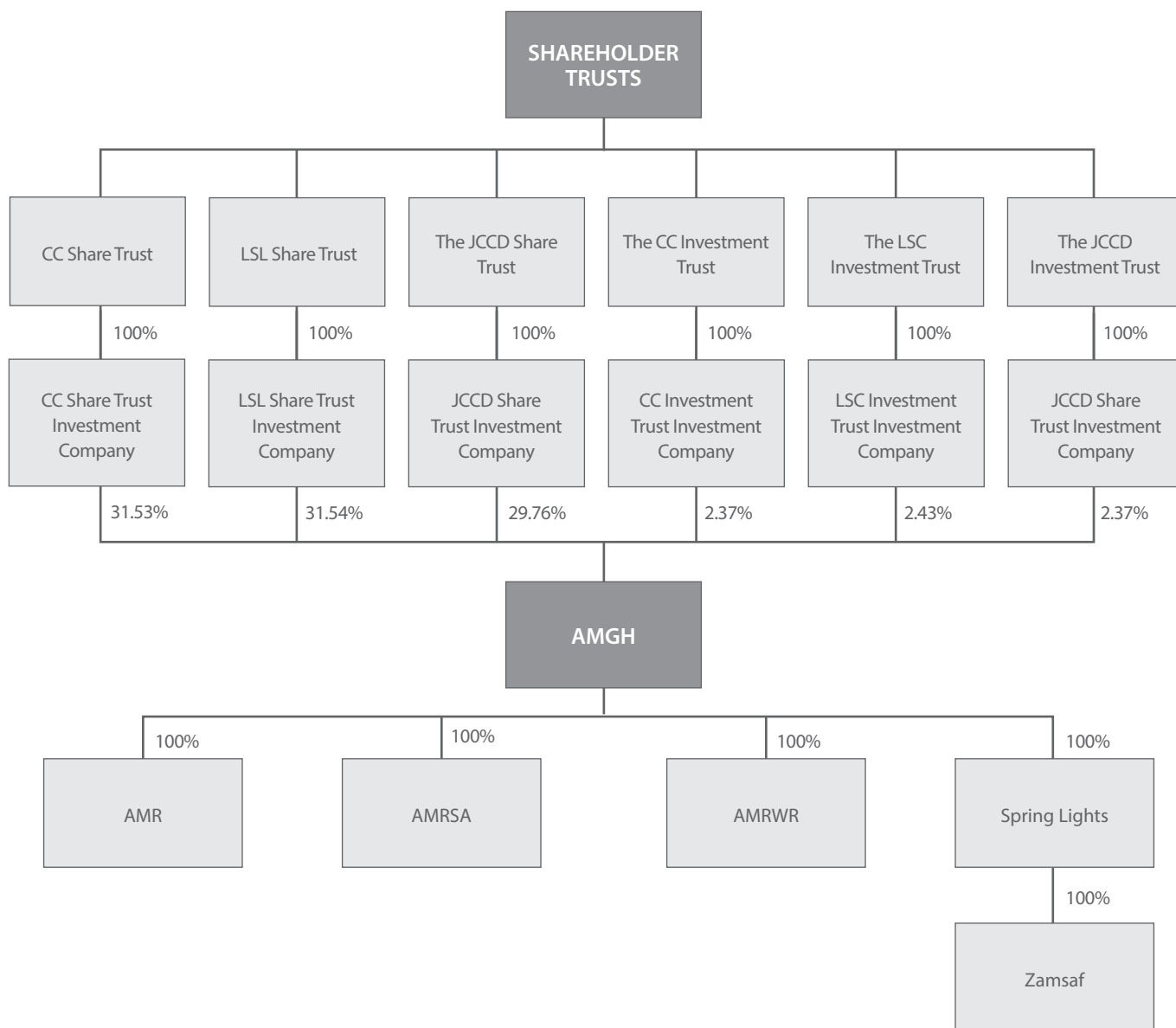
STRUCTURE AND ACTIVITIES OF THE GROUP AND THE AMR CORPORATE GROUP ENTITIES

1. THE GROUP STRUCTURE (PRE-IMPLEMENTATION OF THE TRANSACTIONS) IS SET OUT BELOW:



Unless the context states otherwise, percentages equal to 100%.

2. THE AMR GROUP STRUCTURE (PRE-IMPLEMENTATION OF THE TRANSACTIONS) IS SET OUT BELOW:



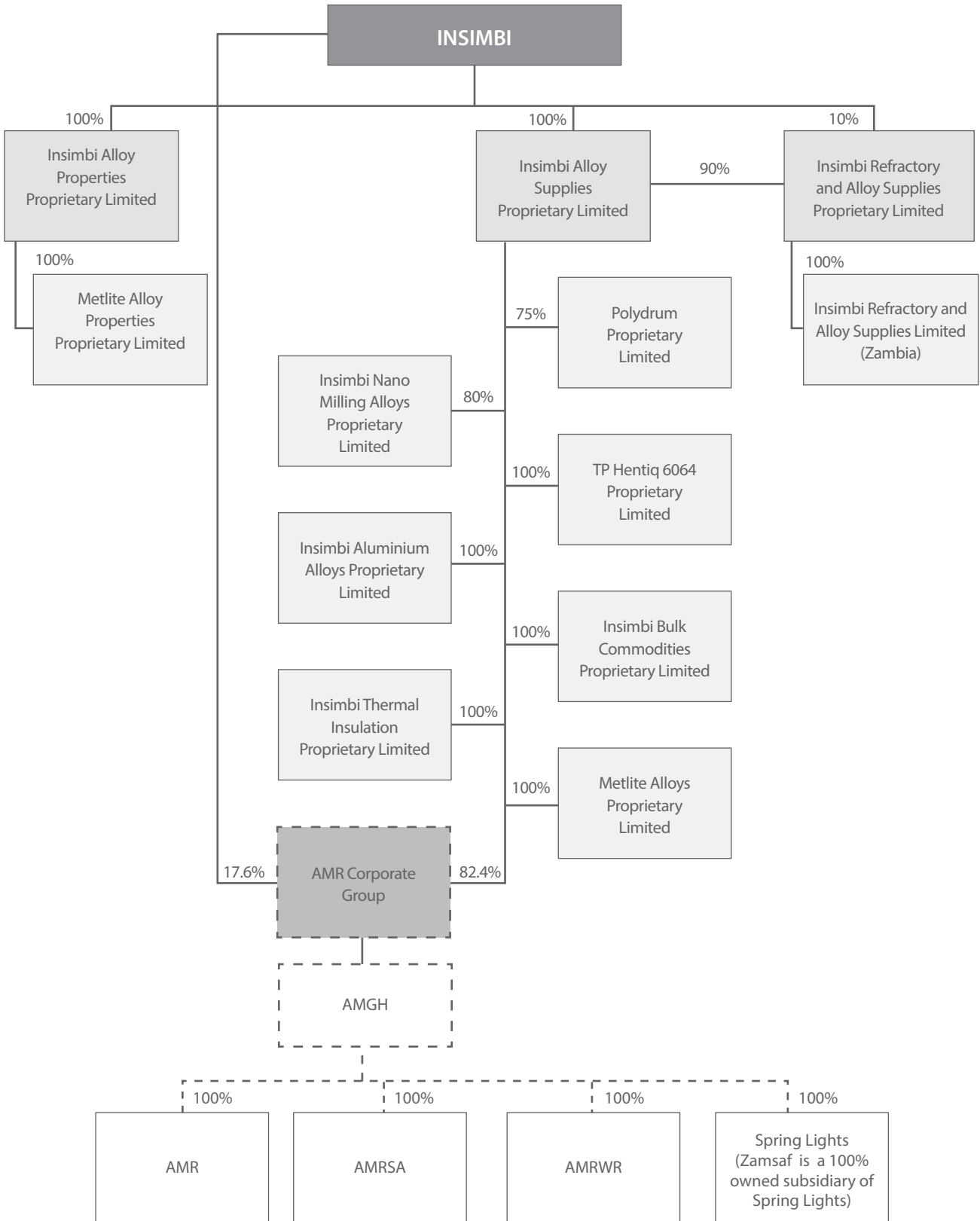
The AMR Group collectively comprises the Shareholder Trusts, the Shareholder Investment Companies and the AMR Corporate Group; AMGH, AMR, AMR, AMRSA, AMRWR, Spring Lights and Zamsaf. This is a diagrammatical depiction of the AMR Corporate Group as a result of the AMR Group Restructure. Unless the context states otherwise, percentages equal to 100%.

2.1 AMR Group Restructure:

The Agreement is subject to and conditional upon the fulfilment or waiver of, but not limited to, each of the Suspensive Conditions set out in paragraph 11 of the Circular. In addition to the Suspensive Conditions outlined therein, the details of the AMR Group Restructure as contemplated in paragraph 11.5 of the Circular are set out below:

- 2.1.1 the Vendors' Representative has confirmed in writing to Insimbi whether and, if so, in what amount(s), AMGH has utilised a portion of its cash resources to repay some or all the Directors' Loans, which repayment amount(s) shall have been approved in writing by Insimbi;
- 2.1.2 the Vendors' Representative has confirmed in writing to Insimbi that the AMR Pre-Acquisition Dividend has been declared by the AMGH Board and AMGH's obligation to pay such AMR Pre-Acquisition Dividend has, subsequent to the provision by each recipient to AMR of a declaration as contemplated in section 64G(2)(a) of the Tax Act, been discharged by way of off-set against the obligations of the recipients of the AMR Pre-Acquisition Dividend to advance equivalent amounts to AMR by way of loans, the key terms of which are:
 - 2.1.2.1 The outstanding balance shall accrue interest at the Prime Rate (nominal annual, compounded monthly), with the accrued interest being paid on 25 February and 25 August of each year (or, if not a Business Day, the first Business Day following such date(s));
 - 2.1.2.2 in relation to any other shareholder claims on loan account against AMGH;
 - 2.1.2.3 the outstanding balance shall be repaid on or before 1 October 2019, provided that, if AMGH has insufficient free cash to repay some or all of the outstanding balance by that date, AMGH may at its election extend the period for repayment by a maximum period of a further 2 years and shall otherwise be on such terms and conditions approved in writing by Insimbi; and
 - 2.1.2.4 the Vendor's Representative has confirmed in writing to Insimbi that, other than the Spring Lights Transaction, the AMR Group Restructure has otherwise been completed and Insimbi confirms in writing to the Vendors' Representative that it is satisfied with the implementation thereof.

3. THE GROUP STRUCTURE (POST-IMPLEMENTATION OF THE TRANSACTIONS) IS SET OUT BELOW:



Refer to diagram in 1 and 2 to this Annexure 1. Insimbi shall acquire 100% of the AMR Corporate Group. Unless the context states otherwise, percentages equal 100%.

4. INSIMBI'S SUBSIDIARIES AND ACTIVITIES

The following table indicates the subsidiaries and associates of Insimbi as well as the nature of the businesses of the subsidiaries and associates. None of these subsidiaries are listed on the JSE.

Subsidiary/	Nature of business	Incorporation details	Date became subsidiary	Issued capital	Insimbi's interest in subsidiary
Direct subsidiaries					
Insimbi Alloy Supplies Proprietary Limited	General Trading in aspects	South Africa 30 March 2006	21 February 2007	Issued share capital of R1 divided into 100	100%
Insimbi Refractory and Alloy Supplies Limited – Zambia	Supply a wide range of ferrous alloys and refractory lining to the steel, foundry and cement industries	South Africa 25 September 2007	24 November 2008	Issued share capital of R1 divided into 100	100% ¹
Insimbi Alloy Properties Proprietary Limited	To acquire, development and manage properties	South Africa 25 November 2002	30 June 2004	Issued share capital of R1 divided into 100	100%
AMGH	General trading	South Africa 17 August 2016	Completion Date	Refer to Annexure 2 to this Circular	17.6%
Interest in Subsidiaries through Insimbi Alloy Supplies					
Insimbi Aluminium Alloys Proprietary Limited	General Trading	South Africa 21 November 2007	26 September 2008	Issued share capital of R1 divided into 100	100%
Insimbi Bulk Commodities Proprietary Limited	General Trading	South Africa 29 September 2008	11 December 2008	Issued share capital of R1 divided into 120	100%
Insimbi Nano Milling Proprietary Limited	No restrictions on business activities	South Africa 6 December 2011	8 October 2012	Issued share capital of R1 divided into 100	100%
Insimbi Thermal Insulations Proprietary Limited	General Trading	South Africa 18 July 2007	18 January 2008	Issued share capital of R1 divided into 404	100%
Polydrum Proprietary Limited	Plastic blow moulding	South Africa 4 October 2010	1 September 2015	Issued share capital of R1 divided into 100	75% ²
TP Hentiq 6064 Proprietary Limited	Investment Holding Company	South Africa 15 December 2008	4 July 2014	Issued share capital of R0.001 divided into 10 000	100%
Metlite Alloys Proprietary Limited	Trading and manufacturing and blending of refractory Materials	South Africa 23 February 2000	3 September 2010	Issued share capital of R1 divided into 52	100%

Subsidiary/	Nature of business	Incorporation details	Date became subsidiary	Issued capital	Insimbi's interest in subsidiary
Insimbi Refractory and Alloy Supplies Limited – Zambia	Supply a wide range of ferrous alloys and refractory lining to the steel, foundry and cement industries	South Africa 25 September 2008	24 November 2008	Issued share capital of R1 divided into 100	90%
Metlite Alloy Properties Proprietary Limited	Property Investment	South Africa 21 July 1999	3 September 2010	Issued share capital of R1 divided into 100	100%
AMGH	General trading	South Africa 17 August 2016	Completion date	Refer to Annexure 2 to this Circular	82.4% ³

1. The remaining shareholding in Insimbi Refractory and Alloy Supplies Limited (Zambia), being 90% is held by Insimbi Alloy, a major subsidiary of the Group;
2. The remaining shareholding in Polydrum Proprietary Limited is owned by Shirley-Ann Whittaker (12.5%) and Colin Whittaker (12.5%), being the vendors of the transaction when the transaction originally took place. The effective date was 1 August 2015. Details of this transaction are included in Annexure 3; and
3. Insimbi Alloy shall hold a 82.4% shareholding in AMGH while 17.6% shall be held as a direct subsidiary to Insimbi.

The details of the major subsidiaries of Insimbi are set out below:

Name of major subsidiary	Insimbi Alloy
Registration number	2006/009481/07
Nature of the business	To acquire, develop and manage properties of the Group
Directors	The full details of the directors of Insimbi Alloy are set out in Appendix 3 of the Revised Listing Particulars to which this Circular forms part.
Date of incorporation	30 March 2006
Place of incorporation	South Africa
Listed/unlisted	Unlisted
Date of which is became a major subsidiary	21 February 2007

Name of major subsidiary	Insimbi Aluminium Alloys Proprietary Limited
Registration number	2007/033423/07
Nature of the business	General Trading
Directors	The full details of the directors of Insimbi Aluminium Alloys Proprietary Limited are set out in Appendix 3 of the Revised Listing Particulars to which this Circular forms part.
Date of incorporation	21 November 2007
Place of incorporation	South Africa
Listed/unlisted	Unlisted
Date of which is became a major subsidiary	21 November 2007

Name of major subsidiary	Amalgamated Metals Group Holdings
Registration number	2016/354749/07
Nature of the business	General Trading
Directors	The full details of the directors of Amalgamated Metals Group Proprietary Limited are set out in Appendix 3 of the Revised Listing Particulars to which this Circular forms part.
Date of incorporation	17 August 2016
Place of incorporation	South Africa
Listed/unlisted	Unlisted
Date of which is became a major subsidiary	Completion Date

THE SHARE EXCHANGE AND THE VENDORS

1. The names and business addresses of the Principals are set out below:

Name of the Principal	Share trust and/or Investment Trust to which the Principal is a beneficiary	Trust address
Christiaan Coombs	The CC Share Trust and the CC Investment Trust	188 Mullerstuine, Vanderbijlpark, 1912
Herman Steenkamp	The LSL Share Trust and the LSC Investment Trust	21 St Andrews Estate, Dryf Street, Ruimsig, Roodepoort, 1724
Christiaan Combrink	The JCCD Share Trust and The JCCD Investment Trust	27 De Waal Street, Brackendowns, 1454

2. The ownership of the Investment Companies is as follows:

Name of Company	Owner	Beneficiaries of the Trust
Golden Griffin Investments Proprietary Limited	The CC Share Trust	– Christiaan Coombs – The Coombs Faimilie Trust
Golden Griffin Investments 1 Proprietary Limited	The CC Investment Trust	– Christiaan Coombs – The Coombs Faimilie Trust
Casterly Rock Investments Proprietary Limited	The LSL Share Trust	– Herman Karel Steenkamp – The Steenkamp Family Trust
Southern Vault Investments 1 Proprietary Limited	The LSC Investment Trust	– Herman Karel Steenkamp – The Steenkamp Family Trust
Crimson Clover Investments Proprietary Limited	The JCCD Share Trust	– Christiaan Henry Combrink – The Combrink Familie Trust
Crimson Clover Investments 1 Proprietary Limited	The JCCD Investment Trust	– Christiaan Henry Combrink – The Wife of Christiaan Henry Combrink – The lawful descendents of Christiaan Henry Combrink

3. The share capital of each member of the AMR Corporate Group is as follows:

	Authorised	Issued	Class of Securities	Par value
AMGH	200,000	19,283	Ordinary	No par value
AMR	1,000	100	Ordinary	R1 each
AMRSA	1,000	100	Ordinary	R1 each
AMRWR	1,000	100	Ordinary	R1 each
Spring Lights	1,000	100	Ordinary	No par value
Zamsaf	1,000	100	Ordinary	R1 each

4. On the Closing Date (after implementation of the Spring Lights Transaction but after the implementation the Transactions), the share capital of each member of the AMR Corporate Group shall be as follows:

	Authorised	Issued	Class of Securities	Par value
AMGH	200,000	20,000	Ordinary	No par value
AMR	1,000	100	Ordinary	R1 each
AMRSA	1,000	100	Ordinary	R1 each
AMRWR	1,000	100	Ordinary	R1 each
Spring Lights	1,000	100	Ordinary	No par value
Zamsaf	1,000	100	Ordinary	R1 each

- 4.1. All of the Securities in each member of the AMR Corporate Group are of one class and rank *pari passu* with each other;
- 4.2. AMGH is a newly incorporated company and has never traded. Accordingly, except as set out in the Agreement, AMGH has no obligations or liabilities (actual or contingent) and no assets. As such, the vendors have not guaranteed the book debts or other assets.

5. The details of the amounts payable in terms of the purchase consideration is categorised as follows:

Insimbi Exchange Shares	New Insimbi Shares	Senior Debt	Total transaction value
R50 000 000	R100 000 000	R134 000 000	R284 000 000

- 5.1. The value of the Transactions is an aggregate amount of R284 000 000
- 5.2. The amount payable to the Vendors is R234 000 000
- 5.3. As a consequence of the above, the Acquirors will acquire a 100% interest in the AMR Corporate Group.
- 5.4. The acquisition of the Insimbi Exchange Shares by the Vendors is subject to the NPAT Target being met during the NPAT Target Period pursuant to paragraph 10.3 of the Circular.
- 5.5. each member of the AMR Corporate Group has duly and punctually paid all taxes, levies and duties which it is liable to pay, and, in particular, the assessments for tax which are due for payment prior to the Completion Date and the Closing Date shall have been paid or adequate provisions or reserves for Tax shall have been established;
- 5.6. A reconciliation showing the difference between the amount paid with respect to the acquisition of the AMR Corporate Group and the proportionate value of the net assets of AMGH is detailed below.

	Amount paid for the Transactions by Insimbi (representing 100% of AMGH)	Net Asset Value ("NAV") of AMGH	Transaction value premium to NAV
The AMR Corporate Group	R284 000 000	R170 243 637	66.8%

- 5.7. Unless the Parties agree in the prescribed form to the contrary, following implementation of the Transactions, Christiaan Coombs shall be appointed to the Board as an executive director for the duration of the NPAT Target Period, subject to Insimbi Shareholder approval in the form prescribed in Insimbi's MOI.

MATERIAL CONTRACTS

1. INTRODUCTION

Save for the Agreement contemplated in this Circular:

- the introduction of a broad based black economic empowerment partner, New Seasons Investments Holdings Proprietary Limited, was announced on SENS on 1 August 2016;
- the implementation of an employee share participation transaction and a management share participation transaction by way of a repurchase agreement, EmployeeCo reciprocal subscription agreement and a ManCo sale and subscription agreement was announced on SENS on 1 March 2016; and
- the acquisition of 75% of the issued ordinary share capital of Polydrum Proprietary Limited, was announced on SENS on 9 July 2015.

Neither Insimbi nor its subsidiaries have entered into any Material contract or otherwise than in the ordinary course of business within two years prior to this Circular, or entered into at any time and containing an obligation or settlement that is Material to Insimbi or its subsidiaries at the date of this Circular.

Furthermore, other than as set out in this Circular there have been no Material changes in the affairs or financial position of the Group and its subsidiaries since the date of signature of the audit report for the year ended 29 February 2016.

Material Contracts (excluding the Agreement)

1.1 Acquisition by New Seasons Investments Holdings Proprietary Limited

On 8 June 2016, it was announced on SENS that the four founding executive directors of Insimbi disposed of 13 000 000 of their Insimbi Shares each in order to facilitate a strategic broad based black economic empowerment initiative whereby New Seasons Investments Holdings Proprietary Limited acquired the 52 000 000 Insimbi Shares. This amounted to a 20% shareholding in the issued share capital of the Company. New Seasons Investments Holdings Proprietary Limited is an investment company focused on investing in high performing businesses across various industries.

1.2 Employee share participation transaction and management share participation transaction

On 1 March 2016, Insimbi entered into a repurchase agreement, EmployeeCo reciprocal subscription agreement and a ManCo sale and subscription agreement in terms of which enabled eligible employees of Insimbi to acquire an approximate 8.78% in the issued share capital of Insimbi.

The implementation of the abovementioned transactions detailed in 1.1 and 1.2 of this Annexure 3 contributed towards the Group's broad based black economic empowerment ownership objectives, cultivated a culture of ownership amongst employees in Insimbi and identified the need for succession planning amongst those managers that are not directors and prescribed officers of the Company.

Details of the specific issue of shares for cash to Insimbi EmployeeCo Proprietary Limited wherein eligible employees of Insimbi, including senior and middle management, were afforded the opportunity to acquire an indirect shareholding in Insimbi as set out below:

By whom the offer was issued to eligible employees Insimbi EmployeeCo Proprietary Limited

Number of shares	13 000 000 (representing 5% of the issued share capital of Insimbi)
Price per share	R0.83
Discount	Represented a 15% discount to the VWAP measured over the 30 business days prior to 9 February 2016.
Reason for discount	To encourage eligible employees of Insimbi to participate in the employee share participation and management share participation transaction.
Aggregate amount	R10 790 000
Date of issue of shares	8 June 2016

The abovementioned shares issued to eligible Insimbi employees was effected by way of a specific repurchase of shares as set out below:

By whom the shares were held	Insimbi Alloy
Number of shares	13 000 000 (representing 5% of the issued share capital of Insimbi)
Price per repurchase share	R0.63

1.3 Polydrum Proprietary Limited acquisition

On 9 July 2015, Insimbi concluded comprehensive agreements in terms of which Insimbi agreed to acquire a 75% effective interest in the issued ordinary share capital of Polydrum Proprietary Limited for a total purchase consideration of R18 750 000. Polydrum Proprietary Limited is a plastic blow moulding business specialising in the blow moulding of a wide range of high quality and durable plastic products from plastic drums to swimming pool filters. The effective date of the transaction was 1 August 2015.

The names and addresses of the vendors of Polydrum Proprietary Limited are included below:

Name of vendors	Shareholding prior to acquisition by Insimbi of 75% of Polydrum Proprietary Limited	Shareholding after the acquisition of 75% of Polydrum Proprietary Limited	Business address
Shirley-Anne Whittaker	50%	0%	361 Crocker Road Wadeville
Colin Whittaker	25%	12.5%	Extension 4 Germiston South Africa

¹The remaining 12.5% shareholding of Colin Whittaker in Polydrum Proprietary Limited is held by Brian Fetting post acquisition.

The total purchase consideration of the acquisition of Polydrum Proprietary Limited was an aggregate amount of R18,750,000 wherein the equity purchase consideration amounted to R9,368,820 and a shareholder loan of R9,381,180 allocated to working capital and expansion. The acquisition facilitated a strategic approach to diversifying the Company's revenue stream whilst enabling it to expand its presence into the plastics segment.

2. THE TRANSACTIONS

2.1 The Agreement

Details of the Agreement are set out from paragraph 7 of the Circular. The names and addresses of the vendors of the AMR Corporate Group are included below:

Name of vendors	Shareholding prior to acquisition by Insimbi of 100% of the AMR Corporate Group	Shareholding after the acquisition of 100% of the AMR Corporate Group	Business address
Christiaan Coombs, Christian Combrink and Herman Steenkamp	Each of the vendors own 1/3 of the shareholding in the AMR Corporate Group	Insimbi will own the entire issued share capital of AMGH for a total purchase consideration of R284 000 000 on the Closing Date	18 Pallet Crescent, Devland Johannesburg, 1811 South Africa

2.2 Facilities Agreement

As part of the Insimbi Fundraising, Insimbi wishes to enter into a senior secured term facilities agreement in terms of which, ABSA (as mandated lead arranger, underwriter and original lender) may grant to Insimbi, as borrower, loan facilities of an aggregate amount of approximately R135 000 000. As at the Last Practicable Date, the detail of the indicative facilities agreement is as follows:

Borrower/s	AMR
Facility Description & purpose	<p>R135 000 000 senior term loan to partly fund purchase of shares in the borrower. (The term loan will be availed in 2 tranches of R67 500 000 each)</p> <p>R50 000 000 primary lending facility to be utilised for working capital requirements</p> <p>R30 000 000 customer foreign currency account overdraft</p> <p>R35 000 000 ABSA Vehicle Asset Finance ("AVAF") facility – Installment sale agreements</p> <p>R18 000 000 Forward Exchange Contract facility to cover imports and exports of product</p>
Tenor, Repayment	Senior term Loan facility
Profile & Expiry Date	<ul style="list-style-type: none"> Tranche 1: 60 months from date of first drawdown according to a monthly capital and interest amortisation profile Tranche 2: 60 months from date of first drawdown, interest to be serviced monthly, bullet repayment at the end of the term <p>Primary Lending facility</p> <ul style="list-style-type: none"> Repayable on demand <p>Customer Foreign Currency Account Overdraft</p> <ul style="list-style-type: none"> Repayable on demand <p>ABSA Vehicle Asset Finance (AVAF) facility</p> <ul style="list-style-type: none"> Maximum 60 months <p>Forward Exchange Contracts</p> <ul style="list-style-type: none"> Maximum 180 days
Pricing	<p>Senior term Loan facility</p> <ul style="list-style-type: none"> Tranche 1: Jibar + 300 bps Tranche 2: Jibar + 375 bps <p>Primary Lending facility</p> <ul style="list-style-type: none"> Prime <p>Customer Foreign Currency Account Overdraft</p> <ul style="list-style-type: none"> Libor + 250 bps <p>ABSA Vehicle Asset Finance (AVAF) facility</p> <ul style="list-style-type: none"> Priced per transaction upon application
Arrangement fee	1% of Term and PLF facilities – R1 850 000
Guarantors	Insimbi Alloy
Security	<ul style="list-style-type: none"> GNB over movable assets Cession of book debts 1st ranking CCMBs over commercial properties Cession of CFC account Hire Purchase Agreements
Undertakings	<ul style="list-style-type: none"> Negative pledge; Restriction on any further indebtedness/borrowings without the bank's prior written consent which will not be unreasonably withheld; Cross collateralisation to the security held for the Overdraft/PLF facility.
Financial Covenants and measurement frequency	<p>Covenants to be measured quarterly (Feb, May, Aug, Nov) on a 12 month rolling basis on the consolidated results of the Borrower and Guarantor:</p> <ul style="list-style-type: none"> Interest Cover Ratio (EBITDA/Net Finance Costs) > 3.5x Leverage (Net Debt/EBITDA) < 2.5x Debt Service Cover Ratio (Free Cash Flow/Debt Service Requirement) > 1.5x

Information undertakings	<ul style="list-style-type: none"> Unconsolidated and consolidated quarterly management accounts (Feb, May, Aug, Nov) of the Borrower and Guarantor on a 12 month rolling basis no more than 60 days after close of the reporting period; Unconsolidated and Consolidated Audited AFS of the Borrower and Guarantor no more than 120 days after the reporting period; Quarterly covenant compliance certificate (February, May, August, November) no more than 60 days after the reporting period signed by two of the Borrower's directors; and Quarterly debtors and creditors age analysis no more than 30 days after the quarter end.
Events of Default	<ul style="list-style-type: none"> Non-payment; Cross default between any and all debt; Breach of financial covenant/undertakings; Insolvency proceedings; creditors process; litigation arbitration etc.; and Material Adverse Clause: any material adverse change in the Borrowers' or Guarantors' business or financial condition arises which gives grounds in the Bank's opinion or belief that the Borrower may not (or may be unable to) perform or comply with its obligations.
Other	<ul style="list-style-type: none"> The proposal is subject to final Credit, Legal and Compliance approval; and The terms and conditions as proposed herein are not exhaustive and additional terms and conditions could be included during the Credit approval process.

In the event that a final term sheet is not signed with Absa, there is an alternative indicative term sheet that has been provided by First National Bank, a summary of the salient terms are detailed below:

Borrower/s	The Group
Facility Description & purpose	<ul style="list-style-type: none"> The proposal is subject to final Credit, Legal and Compliance approval; and The terms and conditions as proposed herein are not exhaustive and additional terms and conditions could be included during the Credit approval process.
Bank's facility	<p>Leveraged Finance Loan</p> <ul style="list-style-type: none"> Amount: R105 000 000; Repayment profile: 60 monthly repayments of interest and capital; Interest rate: Prime + 0.5%, subject to final confirmation of FNB's credit risk, variable linked (nacm), payable monthly in arrears; and Facility fee: 1% (plus VAT thereon). <p>Commercial Property Finance</p> <ul style="list-style-type: none"> Amount: R35 000 000; Repayment profile: 120 monthly repayments of interest and capital; Interest rate: Prime, subject to final confirmation of the Bank's credit risk, variable linked (nacm), payable monthly in arrears; Facility fee: 1% (plus VAT thereon); and Valuation fee: R18,000 (plus VAT thereon). <p>General Banking Facility ("GBF")</p> <ul style="list-style-type: none"> Overdraft: R30 000 000; Interest rate: Prime, variable linked (nacm); Management fee: 1% (plus VAT thereon); and Term: Payable on demand, renewable annually <p>and</p> <ul style="list-style-type: none"> Pre-settlement facility (FECs): Maximum amount of R100 000 000, with utilisation marked at 10% on FEC < 12 months, thus pre-settlement facility of R10 000 000; Term: Longer than two bank Business Days, usually for 3,6 or 12 months; and Rate: Fluctuating margins as quoted by the Bank's treasury from time to time.

As explained in paragraph 15 of the Circular, should there be any Material changes to the terms of the indicative facilities agreements disclosed above, Insimbi Shareholders will be advised of such changes on SENS.

3. MATERIAL CONTRACTS OF THE AMR CORPORATE GROUP ENTITIES

3.1 The Material acquisitions and/or Disposals

There are no Material acquisitions and/or Disposals made by the AMR Corporate Group 12 months prior to the Last Practicable Date other than the disposal by the AMR Corporate Group of 100% of the issued share capital in AMGH as disclosed in this Circular. Furthermore, the Spring Lights Transaction is the final step of completion in the AMR Group Restructure.

The AMR Group Restructure forms part of the Agreement and facilitates the Transactions set out in the Circular. The AMR Group Restructure involves the process in which the corporate structure of the AMR Group was altered from the corporate structure which existed as at 21 June 2016, details of which are included in Annexure 1.

HISTORICAL COMBINED FINANCIAL INFORMATION OF AMGH FOR THE YEARS ENDED 29 FEBRUARY 2016, 28 FEBRUARY 2015 AND 28 FEBRUARY 2014

INTRODUCTION

Amalgamated Metals Group Holdings Proprietary Limited ("AMGH") represents the business of the AMR Corporate Group that will be sold to Insimbi Refractory and Alloy Supplies Limited ("Insimbi") pursuant to the Transactions. AMGH comprises Amalgamated Metals Recycling Proprietary Limited ("AMR"), Amalgamated Metals Recycling SA Proprietary Limited ("AMSA"), Amalgamated Metals West Rand Proprietary Limited ("AMRWR"), Zamsaf Properties Proprietary Limited ("Zamsaf") and Spring Lights 1135 CC ("Spring Lights"). The historical combined financial information has been prepared on the basis as described in the basis of preparation to the historical combined financial information.

COMMENTARY

Operating results for the year

AMGH's revenue decreased by 12% to R1.6 billion (February 2015: R1.8 billion). Gross profit increased by 18% to R205.7 million (February 2015: R174.1 million), at a gross margin of 12.7% (February 2015: 9.4%). Operating profit increased to R81.3 million (February 2015: R71.0 million), an increase of 14%. Net profit increased by 12% to R56.3 million (February 2015: R50.2 million), at a net margin of 3.5% (February 2016: 2.7%).

The cash position worsened by 16.5%, or R7.1 million, to a net cash position of R35.7 million (February 2015: net cash of R42.8 million), mostly as a result of delayed receipts from debtors. These outstanding amounts are expected to be recovered by the end of the financial year.

Total assets increased to R230.2 million (February 2015: R176.4 million), an increase of 30%.

OPERATIONAL REVIEW

Safety, health, environmental, risk management and quality

The group regularly introduces and drives training and information initiatives aimed at increasing awareness of occupational health, safety, environmental and quality among management and employees.

The group is compliant with all legislative and regulatory rules and regulations as set out in the Occupational Health and Safety Act, which is driven by a team that include the entities' directors, the occupational health and safety officer as well as the outsourced contractors, who perform routine inspections at the various entities on a three month basis.

The group is committed to the preservation of the environment, ensuring that none of the processes affect the environment negatively in any manner.

Scrap metal recycling

The group of companies pride itself in being one of the largest and well known scrap metal trading companies within South Africa, trading in both non-ferrous and ferrous grades of material. The company also forms part as one of the largest exporters of scrap metal materials in South Africa, focusing on exports from South Africa to companies and traders internationally.

The group consists of Amalgamated Metals Recycling Proprietary Limited (registered during 2002), Amalgamated Metals West Rand Proprietary Limited (registered during 2010) and Amalgamated Metals Recycling SA Proprietary Limited (registered during 2010). All three entities are registered members of the Metal Recyclers Association of South Africa, ensuring compliance with all legislature applicable to companies registered within South Africa, rules and regulations as per the associations to which they belong as well as government bodies that perform regular inspections.

The directorate of the group has the relevant skills and expertise pertaining to the scrap metal industry, which can be seen through the growth, the group has shown over the years. Employees have been fully trained and have the relevant skills in operating plant and equipment, the sorting of materials, operating of vehicles and are fully knowledgeable in the classification of all types of scrap metal materials and grades thereof.

A slight decrease in revenue has been noted during the past financial year, which can be contributed to the fluctuation of the exchange rate as well as the fluctuation in commodity pricing throughout the globe. The commodity price fluctuations is the result directly linked to the global economic climate. The sudden fluctuations in the exchange rate (ZAR/US dollar) that was noted over the past year, contributed positively to the group, due to the vast quantities of scrap metal materials being exported by Amalgamated Metals Recycling Proprietary Limited, to various countries internationally.

PROSPECTS

The directorate is of the opinion that the group will experience growth in the years to come, despite the factors that affect the industry. The demand for scrap metal material is increasing year on year, locally and internationally. Expansion of the group is a definite goal in the foreseeable future.

HISTORICAL COMBINED FINANCIAL INFORMATION OF AMGH FOR THE YEARS ENDED 29 FEBRUARY 2016, 28 FEBRUARY 2015 AND 28 FEBRUARY 2014

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016, 28 FEBRUARY 2015 AND 28 FEBRUARY 2014

Figures in Rand	Note(s)	2016	2015	2014
Assets				
Non-current Assets				
Property, plant and equipment	2	63 527 381	49 523 266	56 556 594
Goodwill	3	8 499 900	8 499 900	8 499 900
Investments in subsidiaries	4	(100)	(100)	(100)
Investments in joint ventures	5	738 932	1 338 493	1 149 635
Other financial assets	6	3 405	(300)	(200)
		72 769 518	59 361 259	66 205 829
Current Assets				
Inventories	8	24 248 034	24 465 359	48 268 361
Trade and other receivables	9	97 226 217	49 792 090	40 399 603
Other financial assets	6	–	–	11 276 997
Current tax receivable		293 866	–	–
Cash and cash equivalents	10	35 651 133	42 822 450	17 460 541
		157 419 250	117 079 899	117 405 502
Non-current Assets		72 769 518	59 361 259	66 205 829
Current Assets		157 419 250	117 079 899	117 405 502
Non-current assets held for sale and assets of disposal groups		–	–	–
Total Assets		230 188 768	176 441 158	183 611 331
Equity and Liabilities				
Equity				
Reserves		15 797 494	11 536 891	11 536 892
Retained income		154 446 143	98 179 653	48 230 617
		170 243 637	109 716 544	59 767 509
Liabilities				
Non-Current Liabilities				
Finance lease liabilities	12	7 778 409	4 225 709	692 634
Deferred tax	7	4 091 212	2 614 976	2 414 047
		11 869 621	6 840 685	3 106 681
Current Liabilities				
Trade and other payables	13	16 335 062	14 238 370	20 646 437
Other financial liabilities	11	22 983 882	37 690 420	62 542 202
Finance lease liabilities	12	4 733 148	2 317 062	1 634 426
Current tax payable		4 023 418	5 638 077	3 709 997
Bank overdraft	10	–	–	32 204 079
		48 075 510	59 883 929	120 737 141
Non-current Liabilities		11 869 621	6 840 685	3 106 681
Current Liabilities		48 075 510	59 883 929	120 737 141
Liabilities of disposal groups		–	–	–
Total Liabilities		59 945 131	66 724 614	123 843 822
Equities		170 243 637	109 716 544	59 767 509
Liabilities		59 945 131	66 724 614	123 843 822
Total Equity and Liabilities		230 188 768	176 441 158	183 611 331

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 29 FEBRUARY 2016,
28 FEBRUARY 2015 AND 28 FEBRUARY 2014

Figures in Rand	Note(s)	2016	2015	2014
Revenue	14	1 624 382 882	1 843 322 044	1 379 004 297
Cost of sales	15	(1 418 712 386)	(1 669 252 999)	(1 248 485 656)
Gross profit		205 670 496	174 069 045	130 518 641
Other operating income	16	5 532 143	12 550 818	9 548 008
Other operating gains (losses)	17	(115 255)	(1 840 724)	45 382
Other operating expenses		(129 782 093)	(113 747 089)	(98 270 286)
Operating profit	18	81 305 291	71 032 050	41 841 745
Investment income	19	342 341	3 164 887	3 078 579
Finance costs	20	(1 373 045)	(4 222 828)	(6 269 918)
Non-operating expense		(1 030 704)	(1 057 941)	(3 191 339)
Profit before taxation		80 274 587	69 974 109	38 650 406
Taxation	21	(24 008 097)	(19 757 460)	(12 551 615)
Profit for the year		56 266 490	50 216 649	26 098 791
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Gains on property revaluation		4 260 603	–	11 536 892
Other comprehensive income for the year net of taxation		4 260 603	–	11 536 892
Total comprehensive income for the year		60 527 093	50 216 649	37 635 683
Earnings per share				
Per share information				
Basic earnings per share (R)	22	562 664.90	502 166.49	260 987.91

STATEMENT OF CHANGES IN EQUITY AS AT 29 FEBRUARY 2016, 28 FEBRUARY 2015 AND 28 FEBRUARY 2014

Figures in Rand	Revaluation reserve	Retained income	Total equity
Balance at 01 March 2014	11 536 892	48 230 617	59 767 509
Profit for the year	–	50 216 649	50 216 649
Total comprehensive income for the year	–	50 216 649	50 216 649
Prior period adjustments	(1)	(267 613)	(267 614)
Total contributions by and distributions to owners of company recognised directly in equity	(1)	(267 613)	(267 614)
Balance at 01 March 2015	11 536 891	98 179 653	109 716 544
Profit for the year	–	56 266 490	56 266 490
Other comprehensive income	4 260 603	–	4 260 603
Total comprehensive income for the year	4 260 603	56 266 490	60 527 093
Balance at 29 February 2016	15 797 494	154 446 143	170 243 637

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 29 FEBRUARY 2016, 28 FEBRUARY 2015 AND 28 FEBRUARY 2014

Figures in Rand	Note(s)	2016	2015	2014
Cash flows from operating activities				
Cash generated from operations	23	44 658 462	83 903 114	50 314 327
Interest income		342 341	3 164 887	3 078 579
Finance costs		(1 373 045)	(4 222 828)	(6 269 918)
Tax paid	24	(24 442 311)	(17 628 937)	(7 482 728)
Net cash from operating activities		19 185 447	65 216 236	39 640 260
Cash flows from investing activities				
Purchase of property, plant and equipment	2	(18 928 399)	(9 355 258)	(12 191 960)
Sale of property, plant and equipment	2	1 313 092	10 447 420	211 486
Investment in subsidiary		–	–	(8 500 000)
Sale of financial assets		(3 705)	11 893 661	23 463 465
Net cash from investing activities		(17 619 012)	12 985 823	2 982 991
Cash flows from financing activities				
Repayment of other financial liabilities		(14 706 538)	(24 851 782)	(13 492 820)
Repayment of shareholders loan		–	–	753 442
Finance lease payments		5 968 786	4 215 711	(4 385 827)
Net cash from financing activities		(8 737 752)	(20 636 071)	(17 125 205)
Total cash movement for the year		(7 171 317)	57 565 988	25 498 046
Cash at the beginning of the year		42 822 450	(14 743 538)	(40 241 584)
Total cash at end of the year	10	35 651 133	42 822 450	(14 743 538)

BASIS OF PREPARATION

The historical combined financial information of Amalgamated Metals Group Holdings Proprietary Limited ("AMGH") has been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board ("IASB") and using accounting policies that are consistent with those applied in the published audited consolidated financial results of Insimbi for the year ended 29 February 2016. The historical combined financial information has been prepared on the historical cost basis, except for the measurement of certain financial assets and financial liabilities (including derivative financial instruments) that are shown at fair value and land and buildings that are shown at revalued cost, and incorporate the principal accounting policies set out below.

The historical combined financial information has been prepared on a combined basis for special reporting purposes for the years ended 29 February 2016, 28 February 2015 and 28 February 2014 by combining the stand-alone financial information for the following entities:

- Amalgamated Metals Recycling Proprietary Limited
- Amalgamated Metals West Rand Proprietary Limited
- Amalgamated Metals Recycling SA Proprietary Limited
- Spring Lights 1135 CC
- Zamsaf Properties Proprietary Limited (consolidated into Spring Lights 1135 CC)

The historical combined financial information includes the assets, liabilities, revenue, expenses and cash flows which represent the business of the AMR Corporate Group that will be sold to Insimbi and have been derived by combining the stand alone financial information of the respective entities listed above using consolidation and predecessor accounting principles on the basis that the entities listed above were under common control as contemplated by IFRS 3, Business combinations. Consequently, the historical combined financial information is presented as if the respective entities had always been combined. The historical financial information is described as historical combined financial information on the basis that the entities are legally unconnected before the AMR Group Restructure. However, the entities will be legally bound together through the AMR Group Restructure which will occur after the reporting date.

The preparation of the historical combined financial information is the responsibility of the directors of Insimbi and has been prepared to assist them in presenting the financial position and results of AMGH in the Circular, in connection with the Transactions.

The historical combined financial information may not be indicative of the future performance of AMGH and do not necessarily reflect what its results of operations, financial position and cash flows would have been had AMGH operated as an independent entity during the periods presented.

ACCOUNTING POLICIES

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these historical combined financial information are set out below.

Capital work in progress is stated at cost which includes cost of materials and direct labour and any directly attributable costs incurred in bringing it to its present location and condition. Materials used in the construction of property, plant and equipment are stated at actual cost translated to South African Rand at the applicable exchange rate.

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

Increases as a result of revaluation are accumulated in the revaluation surplus in equity until the asset is sold, after which the revaluation surplus is transferred to retained earnings.

Land is not depreciated. Other items of property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	25 years
Factory equipment	Straight line	Varying between 2 to 10 years
Plant and machinery	Straight line	Varying between 3 to 10 years
Furniture and fixtures	Straight line	Varying between 3 to 6 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.1 GOODWILL

Goodwill is initially measured at cost. Subsequently goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment.

For the purpose of impairment testing, goodwill is allocated to those cash-generating units or groups of cash-generating units expected to benefit from the synergies of the combination in which the goodwill arose, identified according to operating segment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised on goodwill is not reversed in a subsequent period.

Gains and losses on disposal of cash-generating unit include the carrying amount of goodwill allocated to the entity sold.

1.2 INTANGIBLE ASSETS

Intangible assets consists of intangible assets under development and regulatory permits.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Item	Useful life
Regulatory permit	Indefinite

1.3 INTERESTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less any accumulated impairment.

Group annual financial statements

The group annual financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are consolidated from the date on which control is transferred to the group up until the date that control ceases.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than on half of the voting rights.

Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

1.4 FINANCIAL INSTRUMENTS

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables;
- Financial liabilities at fair value through profit or loss – held for trading; and
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss – held for trading.

1.5 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

1.7 INVENTORIES

Inventories are measured at the lower of cost and net realisable value on the weighted average method.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

When any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

1.10 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. Contingent assets and contingent liabilities are not recognised.

1.12 REVENUE

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, estimated returns, rebates, discounts and value added tax after eliminating sales within the group. Revenue is recognised as follows:

Sale of goods:

Sale of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and all risks and rewards associated with them, there is no further group management involvement in the products and collectability of the related receivables is reasonably assured. Products are often sold with a right to return. Accumulated experience is used to estimate and provide for such returns at the time of sale;

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

Rendering of services:

Commission income is recognised in the accounting period in which services are rendered.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.13 TURNOVER

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.14 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.15 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

All other borrowing costs are recognised as an expense in the period in which they are incurred. For purpose of cash flow statement, cash flows relating to capitalised borrowing cost are presented in operating activities.

1.16 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

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

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous historical combined financial information are recognised in profit or loss in the period in which they arise.

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

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

Foreign entities

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Functional and presentation currency

Items included in the annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated annual financial statements are presented in Rand which is the group functional and presentation currency.

1.17 OTHER INCOME

Interest is recognised, in profit and loss, using the effective interest rate.

Dividends are recognised in profit and loss when the company's right to receive payment has been established.

NOTES TO THE HISTORICAL COMBINED FINANCIAL INFORMATION

2. PROPERTY, PLANT AND EQUIPMENT

Figures in Rand	2016			2015			2014		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	12 094 114	–	12 094 114	11 878 511	–	11 878 511	16 800 279	–	16 800 279
Buildings	22 660 886	–	22 660 886	18 560 886	–	18 560 886	18 560 886	–	18 560 886
Furniture and fixtures	128 550	(80 956)	47 594	128 550	(59 531)	69 019	114 215	(38 703)	75 512
Motor vehicles	25 669 914	(14 927 160)	10 742 754	17 863 597	(13 451 940)	4 411 657	19 360 589	(14 650 312)	4 710 277
Office equipment	622 944	(573 045)	49 899	610 335	(464 092)	146 243	592 453	(349 839)	242 614
IT equipment	1 943 436	(1 744 670)	198 766	1 854 724	(1 521 479)	333 245	2 003 198	(1 315 289)	687 909
Computer software	5 064	(3 024)	2 040	5 064	(1 336)	3 728	–	–	–
Factory equipment	41 072 454	(23 344 159)	17 728 295	32 545 336	(18 434 429)	14 110 907	34 951 628	(19 487 618)	15 464 010
Other fixed assets	30 184	(27 151)	3 033	30 184	(21 114)	9 070	30 184	(15 077)	15 107
Total	104 227 546	(40 700 165)	63 527 381	83 477 187	(33 953 921)	49 523 266	92 413 432	(35 856 838)	56 556 594

2. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of property, plant and equipment – 2016

Figures in Rand	Opening balance	Additions	Disposals	Revaluation reserve	Depreciation	Total
Land	11 878 511	55 000	–	160 603	–	12 094 114
Buildings	18 560 886	–	–	4 100 000	–	22 660 886
Furniture and fixtures	69 019	–	–	–	(21 425)	47 594
Motor vehicles	4 411 657	10 039 360	(1 010 296)	–	(2 697 967)	10 742 754
Office equipment	146 243	12 609	–	–	(108 953)	49 899
IT equipment	333 245	88 713	–	–	(223 192)	198 766
Computer software	3 728	–	–	–	(1 688)	2 040
Factory equipment	14 110 907	8 732 717	(139 020)	–	(4 976 309)	17 728 295
Other fixed assets	9 070	–	–	–	(6 037)	3 033
	49 523 266	18 928 399	(1 149 316)	4 260 603	(8 035 571)	63 527 381

Reconciliation of property, plant and equipment – 2015

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Land	16 800 279	–	(4 921 768)	–	11 878 511
Buildings	18 560 886	–	–	–	18 560 886
Furniture and fixtures	75 512	14 335	–	(20 828)	69 019
Motor vehicles	4 710 277	2 032 189	(1 377 942)	(952 867)	4 411 657
Office equipment	242 614	22 957	(1 519)	(117 809)	146 243
IT equipment	687 909	163 328	(153 028)	(364 964)	333 245
Computer software	–	5 064	–	(1 336)	3 728
Factory equipment	15 464 010	7 117 385	(3 947 163)	(4 523 325)	14 110 907
Other fixed assets	15 107	–	–	(6 037)	9 070
	56 556 594	9 355 258	(10 401 420)	(5 987 166)	49 523 266

Reconciliation of property, plant and equipment – 2014

Figures in Rand	Opening balance	Additions	Disposals	Revaluation reserve	Depreciation	Total
Land	16 800 279	–	–	–	–	16 800 279
Buildings	2 544 529	4 479 466	–	11 536 891	–	18 560 886
Furniture and fixtures	149 944	5 963	–	–	(80 395)	75 512
Motor vehicles	6 928 524	2 261 558	–	–	(4 479 805)	4 710 277
Office equipment	20 304	503 422	–	–	(281 112)	242 614
IT equipment	211 702	934 659	–	–	(458 452)	687 909
Factory equipment	15 377 124	4 006 892	–	–	(3 920 006)	15 464 010
Other fixed assets	47 084	–	(25 940)	–	(6 037)	15 107
	42 079 490	12 191 960	(25 940)	11 536 891	(9 225 807)	56 556 594

Property, plant and equipment encumbered as security

Figures in Rand	2016	2015	2014
Net carrying amount of leased assets			
Motor vehicles	8 151 422	2 001 704	2 898 073
Factory equipment	7 903 596	5 480 410	1 288 908

3. GOODWILL

Figures in Rand	2016			2015			2014		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Goodwill	8 499 900	–	8 499 900	8 499 900	–	8 499 900	8 499 900	–	8 499 900

Reconciliation of goodwill – 2016

Figures in Rand	Opening balance	Total
Goodwill	8 499 900	8 499 900

Reconciliation of goodwill – 2015

Figures in Rand	Opening balance	Total
Goodwill	8 499 900	8 499 900

Reconciliation of goodwill – 2014

Figures in Rand	Opening balance	Additions through business combinations	Total
Goodwill	–	8 499 900	8 499 900

4. INTERESTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Name of company	Held by	% voting power 2016	% voting power 2015	% voting power 2014	% holding 2016	% holding 2015	% holding 2014	Carrying amount 2016 R	Carrying amount 2015 R	Carrying amount 2014 R
Amalgamated Metals Recycling Proprietary Limited		100.00	100.00%	100.00	100.00	100.00	100.00	(100)	(100)	(100)
Amalgamated Metals Recycling SA Proprietary Limited		100.00	100.00	–	100.00	100.00	–	(100)	(100)	–
Spring Lights 1135 CC		100.00	100.00	100.00	100.00	100.00	100.00	(100)	(100)	(100)
Amalgamated Metals West Rand Proprietary Limited		100.00	100.00	100.00	100.0%	100.00	100.00	(100)	(100)	(100)
								(400)	(400)	(300)
Impairment of investment in subsidiaries		–	–	–	–	–	–	300	300	200
								(100)	(100)	(100)

5. JOINT VENTURES

Joint arrangements

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

Amalgamated Metals Recycling Proprietary Limited	% ownership interest 2016	% ownership interest 2015	% ownership interest 2014	Carrying amount R 2016	Carrying amount R 2015	Carrying amount R 2014
Cronimet Two Joint Venture	8.11	8.11	6.75	738 932	1 338 493	1 149 635

Amalgamated Metals Recycling Proprietary Limited has a 6.75% interest in Cronimet Two Joint Venture. In accordance with the terms of the contractual agreement in place, Amalgamated Metals Recycling Proprietary Limited is entitled to 8.114% of the net assets of the Cronimet Two Joint Venture.

6. OTHER FINANCIAL ASSETS

Loans and receivables

Figures in Rand	2016	2015	2014
DC Smit The loan was repaid during the year under review.	–	–	2 112 563
AA Metals Proprietary Limited The loan is unsecured, interest free and has no set repayment terms.	–	–	486 646
CH Combrink The loan is unsecured, interest free and has no set repayment terms.	3 605	(100)	–
CSC Metal Recycling CC The loan was repaid during the year under review.	–	–	9 485 197
HK Steenkamp The loan is unsecured, interest free and has no set repayment terms.	(100)	(100)	(100)
C Coombs The loan is unsecured, interest free and has no set repayment terms.	(100)	(100)	(100)
	3 405	(300)	12 084 206
Loans and receivables (impairments)	–	–	(807 409)
	3 405	(300)	11 276 797
	–	–	–
	–	–	–
	–	–	–
	3 405	(300)	11 276 797
Non-current assets			
Loans and receivables	3 405	(300)	(200)
Current assets			
Loans and receivables	–	–	11 276 997
Non-current assets	3 405	(300)	(200)
Current assets	–	–	11 276 997
	3 405	(300)	11 276 797

Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

The following classes of financial assets at fair value through profit or loss are measured to fair value using quoted market prices:

- Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.
- Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- Level 3 applies inputs which are not based on observable market data.

The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior period.

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

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Figures in Rand	2016	2015	2014
Level 3			
Loans and receivables	3 405	(300)	11 276 997

7. DEFERRED TAX

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Figures in Rand	2016	2015	2014
Deferred tax liability	(4 091 212)	(2 614 976)	(2 414 047)
Reconciliation of deferred tax asset/(liability)			
At beginning of year	(2 614 976)	(2 414 047)	(948 967)
Originating temporary difference on tangible fixed assets	19 771	(33 020)	6 092
Adjustment due to rate change	(59 946)	–	–
Increases (decrease) in tax loss available for set off against future taxable income – gross of valuation allowance	–	(175 407)	175 407
Originating temporary difference on wear and tear of buildings	(80 372)	(53 582)	(93 277)
Originating temporary difference on property, plant and equipment	(339 899)	127 604	(1 706 354)
Originating temporary difference on revaluation of investment properties	(954 375)	–	–
Originating temporary difference on accrued leave pay	20 796	(91 892)	156 416
Originating temporary difference on accrued audit fees	–	–	(12 978)
Originating temporary difference on accrued expenses	7 464	18 170	(11 760)
Originating temporary difference on accrued bonus	77 077	2 381	66 023
Recognised in deferred tax for prior periods	–	–	(44 649)
Recognised in current year for prior periods	(57 585)	4 817	–
Originating temporary difference on provision for impairment of trade and other receivables	(105 000)	–	–
Originating temporary difference on prepaid expenses	(4 167)	–	–
	(4 091 212)	(2 614 976)	(2 414 047)

Figures in Rand	2016	2015	2014
8. INVENTORIES			
Scrap metal	24 072 453	24 352 431	48 235 352
Consumables	175 581	112 928	33 009
	24 248 034	24 465 359	48 268 361
9. TRADE AND OTHER RECEIVABLES			
Trade receivables	80 442 252	39 295 369	26 895 448
Prepayments	14 882	–	–
Deposits	75 564	75 564	135 564
VAT	16 678 198	10 315 324	12 824 265
Other receivable	15 321	105 833	544 326
	97 226 217	49 792 090	40 399 603
Fair value of trade and other receivables			
The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The company does not hold any collateral as security.			
Trade and other receivables past due but not impaired			
The ageing of amounts past due but not impaired is as follows:			
1 month past due	2 691 733	7 015 483	–
2 months past due	926 544	471 931	–
3 months past due	13 438	27 455	–
10. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of:			
Cash on hand	1 046 994	1 368 145	920 637
Bank balances	34 604 139	41 454 305	16 539 904
Bank overdraft	–	–	(32 204 079)
	35 651 133	42 822 450	(14 743 538)
Current assets	35 651 133	42 822 450	17 460 541
Current liabilities	–	–	(32 204 079)
	35 651 133	42 822 450	(14 743 538)

Cash and cash equivalents pledged as collateral:

Unlimited suretyship supported in their own name with cession of loan accounts by directors.

Unlimited suretyship by Spring Lights 1135 CC, supported by various continuous covering mortgage bond.

Guarantee by Zamsaf Properties Proprietary Limited supported by:

- Cession of its loan account in the Borrower
- First continuing covering mortgage bond for R14 900 000.00 over Erf 6478 Devland, Extension 1
- Cession of a fire and SASRIA policy for an amount of not less than R35 000 000.00

General Notarial Mortgage Bond of R10 million over movable property, including stock, debtors and claims receivable.

Unrestricted cession of debtors.

Articles and suretyship by stakeholders, directors and property company:

- Cession of customer foreign currency
- Cession of Santam Limited
- Cession of Old Mutual: CH Combrink, C Coombs and HK Steenkamp
- Unlimited surety by Amalgamated Metals West Rand Proprietary Limited general notarial bond R10 million

Facilities:

- Overdraft facility R20 million
- Customer foreign currency R30 million
- Forward exchange contracts R100 million
- Credit card R140 000
- Foreign exchange settlement limit R40 million
- Absa vehicle and commercial asset finance R35 million

Figures in Rand	2016	2015	2014
11. OTHER FINANCIAL LIABILITIES			
Held at amortised cost			
C Coombs The loan is unsecured, interest free and has no set terms of repayment.	11 162 891	16 906 485	18 103 339
HK Steenkamp The loan is unsecured, interest free and has no set terms of repayment.	6 545 573	11 314 483	22 134 688
CH Combrink The loan is unsecured, interest free and has no set terms of repayment.	5 275 418	9 469 452	14 264 031
LJ Steenkamp The loan is unsecured, interest free and has no set terms of repayment.	–	–	8 000 000
Freedom Park The loan is unsecured, interest free and has no set terms of repayment.	–	–	40 144
	22 983 882	37 690 420	62 542 202
	–	–	–
	22 983 882	37 690 420	62 542 202
Current liabilities			
At amortised cost	22 983 882	37 690 420	62 542 202
	–	–	–
	22 983 882	37 690 420	62 542 202
12. FINANCE LEASE LIABILITIES			
Non-current liabilities	7 778 409	4 225 709	692 634
Current liabilities	4 733 148	2 317 062	1 634 426
	12 511 557	6 542 771	2 327 060
Interest rates are linked to prime at the contract date.			
Management has assessed the fair value of the group's financial liabilities which it has equated to the cost of the financial liabilities.			
13. TRADE AND OTHER PAYABLES			
Trade payables	11 246 836	10 131 644	11 073 133
VAT	978 894	1 041 839	750 181
Accrued leave pay	463 237	284 097	641 250
Accrued bonus	519 571	244 297	266 294
Accrued expense	2 730 630	2 274 789	1 492 136
Accrued audit fees	259 594	261 704	105 394
Other payables	136 300	–	6 318 049
	16 335 062	14 238 370	20 646 437

Fair value of trade and other payables

The group has financial risk management policies in place to ensure that all payables are paid within the credit time frame, which is generally 30 days in respect of local suppliers and 90 to 180 days in respect of foreign suppliers.

Figures in Rand	2016	2015	2014
14. REVENUE			
Sale of goods	1 624 382 882	1 838 762 044	1 378 211 454
Other rental income	–	4 560 000	792 843
	1 624 382 882	1 843 322 044	1 379 004 297
15. COST OF SALES			
Sale of goods	1 418 712 386	1 669 252 999	1 248 485 656
Sale of goods			
Scrap metal material	1 418 712 386	1 669 252 999	1 248 485 656
16. OTHER OPERATING INCOME			
Other rental income	–	–	300 000
Bad debts recovered	21 500	1 496 358	–
Other recoveries	–	(164 398)	451 082
Sundry income	197 122	2 099 552	141 764
Profit share in Cronimet Two Joint Venture	1 566 260	2 737 872	2 204 492
Rent received	32 000	–	–
Other income	3 715 261	6 381 434	6 450 670
	5 532 143	12 550 818	9 548 008
17. OTHER OPERATING GAINS (LOSSES)			
Gains (losses) on disposals, scrappings and settlements			
Investment property	–	(1 412 996)	–
Property, plant and equipment	163 776	46 000	185 546
	163 776	(1 366 996)	185 546
Foreign exchange gains (losses)			
Net foreign exchange loss	(279 031)	(1 090 292)	(140 164)
Fair value gains (losses)			
Financial instruments at fair value through profit or loss:			
Designated as such at initial recognition	–	616 564	–
Total other operating gains (losses)	(115 255)	(1 840 724)	45 382

Figures in Rand	2016	2015	2014
18. OPERATING PROFIT (LOSS)			
Operating profit for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration – external			
Audit fees	717 657	695 659	230 735
Adjustment for previous year	91 105	177 749	85 633
Tax and secretarial services	44 783	82 044	68 694
	853 545	955 452	385 062
Remuneration, other than to employees			
Administrative and managerial services	–	–	1
Consulting and professional services	2 330 267	1 281 191	580 382
	2 330 267	1 281 191	580 383
Employee costs			
Salaries, wages, bonuses and other benefits	51 334 393	43 258 957	32 790 257
Leases			
Operating lease charges			
Premises	–	4 005 861	252 964
Equipment	97 791	511 112	488 078
Operating lease other	9 000	–	–
	106 791	4 516 973	741 042
Contingent rentals on operating leases			
Equipment	–	–	42 966
Total operating lease charges	106 791	4 516 973	784 008
Depreciation and amortisation			
Depreciation of property, plant and equipment	8 035 571	5 987 166	9 225 807
Other			
Other operating gains (losses)	17	(115 255)	(1 840 724)
Expenses by nature			
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:			
Changes in inventories of finished goods and work in progress	1 418 712 386	1 669 252 999	1 248 485 656
Employee costs	51 334 393	43 258 957	32 790 257
Operating lease charges	106 791	4 516 973	784 008
Depreciation, amortisation and impairment	8 035 571	5 987 166	9 225 807
Other expenses	70 305 338	59 983 993	55 470 214
	1 548 494 479	1 783 000 088	1 346 755 942

Figures in Rand	2016	2015	2014
19. INVESTMENT INCOME			
Interest income			
From investments in financial assets:			
Bank and other cash	286 374	119 328	106 440
Other financial assets	55 967	31 323	68
Total interest income	342 341	150 651	106 508
20. FINANCE COSTS			
Non-current borrowings	–	371	–
Bank overdraft	53 372	3 504 665	5 472 780
Tax authorities	–	3 261	–
Finance leases	1 319 673	314 531	397 138
Other interest paid	–	400 000	400 000
Total finance costs	1 373 045	4 222 828	6 269 918
21. TAXATION			
Major components of the tax expense			
Current			
Local income tax – current period	22 533 786	19 557 017	11 086 535
Deferred			
Originating and reversing temporary differences	981 969	206 002	(82 130)
Changes in tax rates	59 946	–	–
Deferred tax	374 811	(5 559)	1 547 210
Arising from prior period adjustments	57 585	–	–
	1 474 311	200 443	1 465 080
Current	22 533 786	19 557 017	11 086 535
Deferred	1 474 311	200 443	1 465 080
	24 008 097	19 757 460	12 551 615
Net asset value	170 243 637	109 716 544	
Less: Goodwill	8 499 900	8 499 900	
Tangible Net asset value	161 743 737	101 216 644	
Number of shares issues	100	100	
Tangible net asset value per share	1 617 437	1 012 166	

22. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Figures in Rand	2016	2015	2014
Basic earnings per share			
From continuing operations (R per share)	562 664.90	502 166.49	260 987.91

Basic earnings per share was based on earnings of R56 266 490 (2015: R50 216 649; 2014: R26 098 791) and a weighted average number of ordinary shares of 100 (2015: 100; 2014: 100).

Figures in Rand	2016	2015	2014
Reconciliation of profit or loss for the year to basic earnings			
Profit or loss for the year attributable to equity holders of the parent	56 266 490	50 216 649	26 098 791
Adjusted for:			

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary share outstanding during a period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non- controlling interest.

Figures in Rand	2016	2015	2014
Headline earnings per share (R)	561 027.14	502 626.49	259 132.63
Reconciliation between earnings (loss) and headline earnings (loss)			
Basic earnings	56 266 490	50 216 649	26 098 791
Adjusted for:			
(Gains) losses on disposals, scrapings and settlements of assets and liabilities	(163 776)	46 000	(185 528)
	56 102 714	50 262 649	25 913 263

23. CASH GENERATED FROM OPERATIONS

Profit before taxation	80 274 587	69 974 109	38 650 406
Adjustments for:			
Depreciation and amortisation	8 035 571	5 987 166	9 225 807
(Gains) losses on disposals, scrapings and settlements of assets and liabilities	(163 776)	46 000	(185 528)
Losses on foreign exchange	279 031	1 090 292	140 164
Interest income	(342 341)	(3 164 887)	(3 078 579)
Finance costs	1 373 045	4 222 828	6 269 918
Fair value gains	–	(616 564)	–
Other adjustment	601 486	(547 986)	17 502
Changes in working capital:			
Inventories	217 325	23 803 002	(24 713 422)
Trade and other receivables	(47 713 158)	(10 482 779)	13 986 530
Trade and other payables	2 096 692	(6 408 067)	10 001 529
	44 658 462	83 903 114	50 314 327

Figures in Rand	2016	2015	2014
24. TAX PAID			
Balance at beginning of the year	(5 638 077)	(3 709 997)	(106 190)
Current tax for the year recognised in profit or loss	(22 533 786)	(19 557 017)	(11 086 535)
Balance at end of the year	3 729 552	5 638 077	3 709 997
	(24 442 311)	(17 628 937)	(7 482 728)

25. RELATED PARTIES

Relationships	
Holding company	Amalgamated Metals Group Holdings Proprietary Limited
Subsidiaries	Amalgamated Metals Recycling Proprietary Limited Amalgamated Metals West Rand Proprietary Limited Amalgamated Metals Recycling SA Proprietary Limited Spring Lights 1135 CC Zamsaf Properties Proprietary Limited 4
Joint ventures	Cronimet Two Joint Venture 5
Shareholders' directors are directors of the company	C Coombs HK Steenkamp CH Combrink

Figures in Rand	2016	2015	2014
Related party balances			
Loan accounts – Owing (to) by related parties			
C Coombs	(11 435 831)	(17 165 834)	(17 363 484)
HK Steenkamp	(6 775 412)	(11 533 831)	(19 961 900)
CH Combrink	(5 505 257)	(9 688 799)	(13 524 175)
Amalgamated Metals Recycling SA Proprietary Limited	118 968	183 646	1 061 072
Spring Lights 1135 CC	18 978 167	24 654 845	27 164 053
Amalgamated Metals West Rand Proprietary Limited	1 174 673	1 154 282	4 320 676
Zamsaf Properties Proprietary Limited	16 052	–	–
Amalgamated Metals Recycling Proprietary Limited	(20 287 860)	(25 992 773)	(32 545 801)
CSC Metal Recycling CC	–	–	9 485 197
Amounts included in Trade receivable regarding related parties			
Amalgamated Metals West Rand Proprietary Limited	59 287	153 057	1 917 222
Amalgamated Metals Recycling SA Proprietary Limited	–	369 001	–
Amalgamated Metals Recycling Proprietary Limited	–	982 250	3 304 921
Amounts included in (Trade Payable) regarding related parties			
Amalgamated Metals Recycling SA Proprietary Limited	–	(982 250)	(980 161)
Amalgamated Metals Recycling Proprietary Limited	(59 287)	(522 058)	(3 304 921)
Amalgamated Metals West Rand Proprietary Limited	–	–	(937 061)
CSC Metal Recycling CC	–	–	(558 299)
Related party transactions			
Interest (received from) related parties			
Amalgamated Metals West Rand Proprietary Limited	–	(117 057)	(470 202)
Amalgamated Metals Recycling SA Proprietary Limited	–	(118 489)	(118 118)
Spring Lights 1135 CC	–	(2 359 791)	–
CSC Metals Recycling CC	–	(654 074)	–

Figures in Rand	2016	2015	2014
25. Related parties (continued)			
Purchases from related parties			
Amalgamated Metals Recycling SA Proprietary Limited	188 477 656	243 292 173	13 010 893
Amalgamated Metals West Rand Proprietary Limited	74 250 552	125 520	133 951 849
Amalgamated Metals Recycling Proprietary Limited	34 353 712	15 257 091	329 733 168
CSC Metal Recycling CC	–	–	218 378 050
Rent paid to (received from) related parties			
Spring Lights 1135 CC	6 410 000	4 960 000	1 289 022
Amalgamated Metals Recycling Proprietary Limited	(5 450 000)	(4 000 000)	(276 058)
Amalgamated Metals West Rand Proprietary Limited	(480 000)	(480 000)	(520 000)
Amalgamated Metals Recycling SA Proprietary Limited	(480 000)	(480 000)	(240 000)
CSC Metal Recycling CC	–	–	(252 964)
Administration fees paid to (received from) related parties			
Amalgamated Metals Recycling Proprietary Limited	–	2 804 908	1 715 615
Amalgamated Metals Recycling SA Proprietary Limited	–	(2 804 908)	(1 715 615)
(Sales to) related parties			
Amalgamated Metals Recycling SA Proprietary Limited	(10 502 029)	(15 382 611)	(177 551 388)
Amalgamated Metals West Rand Proprietary Limited	(23 851 682)	(2 000 000)	(154 461 780)
CSC Metal Recycling CC	–	(4 556 139)	–
Amalgamated Metals Recycling Proprietary Limited	(262 728 208)	(241 292 173)	(144 682 742)
Interest paid to related parties			
Amalgamated Metals Recycling Proprietary Limited	–	3 249 411	588 320
Project and processing cost paid to (received from) related parties			
Amalgamated Metals Recycling SA Proprietary Limited	–	1 000 000	2 000 000
Amalgamated Metals West Rand Proprietary Limited	1 500 000	–	(3 000 000)
Amalgamated Metals Recycling Proprietary Limited	(1 500 000)	(1 000 000)	1 000 000
Compensation to directors and other key management			
Short-term employee benefits	13 475 634	11 272 425	5 696 951

26. DIRECTORS' EMOLUMENTS

Executive

	Emoluments	Bonuses	Total
2016			
C Coombs	1 452 704	3 000 000	4 452 704
HK Steenkamp	1 450 019	3 000 000	4 450 019
CH Combrink	1 450 193	3 000 000	4 450 193
	4 352 916	9 000 000	13 352 916
2015			
C Coombs	1 447 167	2 000 000	3 447 167
HK Steenkamp	1 447 167	2 000 000	3 447 167
CH Combrink	1 447 167	2 000 000	3 447 167
	4 341 501	6 000 000	10 341 501
2014			
C Coombs	1 302 728	100 000	1 402 728
HK Steenkamp	1 302 728	100 000	1 402 728
CH Combrink	1 302 728	100 000	1 402 728
	3 908 184	300 000	4 208 184

27. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 11 & 12 cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Foreign exchange risk

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

Exchange rates used for conversion of foreign items were:

	2016	2015	2014
USD	16.14	11.58	10.79

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

28. GOING CONCERN

The combined historical financial information have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

29. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date.

**INDEPENDENT REPORTING ACCOUNTANT'S AUDIT REPORT ON THE HISTORICAL
COMBINED FINANCIAL INFORMATION OF AMGH FOR THE YEAR ENDED
29 FEBRUARY 2016**

The Board of Directors
Insimbi Refractory and Alloy Supplies Limited
359 Crocker Road
Wadeville, Germiston
1428

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S AUDIT REPORT ON THE HISTORICAL COMBINED FINANCIAL INFORMATION

Introduction

Insimbi Refractory and Alloy Supplies Limited ("Insimbi") is issuing a circular to its shareholders ("the Circular") regarding the share exchange and subscription agreement in terms of which Insimbi will acquire Amalgamated Metals Group Holdings Proprietary Limited ("AMGH Group"). The AMGH Group consists of Amalgamated Metal Recycling Proprietary Limited, Spring Lights 1135 CC, Amalgamated Metals West Rand Proprietary Limited, Amalgamated Metals Recycling SA Proprietary Limited and Zamsaf Properties Proprietary Limited as described in the basis of preparation to the Historical Combined Financial Information.

At your request and solely for the purpose of the Circular to be dated on or about 7 November 2016, we have audited the Historical Combined Financial Information of the AMGH Group, which comprises the combined statement of financial position as at 29 February 2016, and the combined statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information ("the Historical Combined Financial Information"), as presented in Annexure 4 to the Circular, in compliance with the JSE Limited ("JSE") Listings Requirements.

Responsibility

Directors' responsibility

The directors of Insimbi are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that Insimbi complies with the JSE Listings Requirements. The directors of the AMGH Group are responsible for the preparation and fair presentation of the Historical Combined Financial Information in accordance with International Financial Reporting Standards, and for such internal controls as the directors of the AMGH Group determine is necessary to enable the preparation of Historical Combined Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Combined Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the Historical Combined Financial Information of the AMGH Group is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Combined Financial Information of the AMGH Group. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Combined 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 Historical Combined 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 of the AMGH Group, as well as evaluating the overall presentation of the Historical Combined Financial Information.

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

Opinion

In our opinion, the Historical Combined Financial Information of the AMGH Group as set out in Annexure 4 to the Circular, presents fairly, in all material respects, the financial position of the AMGH Group at 29 February 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Intended users and purpose of reporting accountant's report

The Historical Combined Financial Information is prepared for the Board of directors of Insimbi to assist them in presenting the financial position and results of the AMGH Group in the Circular, in connection with the proposed transaction, as described in the basis of preparation to the Historical Combined Financial Information. As a result, the Historical Combined Financial Information may not be suitable for another purpose.



PricewaterhouseCoopers Inc.

Director: Megan Naidoo

Registered Auditor

Johannesburg

1 November 2016

**INDEPENDENT REPORTING ACCOUNTANT'S REVIEW REPORT ON THE HISTORICAL
COMBINED FINANCIAL INFORMATION OF AMGH FOR THE YEARS ENDED
28 FEBRUARY 2015 AND 28 FEBRUARY 2014**

The Board of Directors
Insimbi Refractory and Alloy Supplies Limited
359 Crocker Road
Wadeville, Germiston
1428

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE REVIEW OF THE HISTORICAL COMBINED FINANCIAL INFORMATION
Introduction

Insimbi Refractory and Alloy Supplies Limited ("Insimbi") is issuing a circular to its shareholders ("the Circular") regarding the share exchange and subscription agreement in terms of which Insimbi will acquire Amalgamated Metals Group Holdings Proprietary Limited ("AMGH Group"). The AMGH Group consists of Amalgamated Metal Recycling Proprietary Limited, Spring Lights 1135 CC, Amalgamated Metals West Rand Proprietary Limited, Amalgamated Metals Recycling SA Proprietary Limited and Zamsaf Properties Proprietary Limited as described in the basis of preparation to the Historical Combined Financial Information.

At your request and for the purpose of the Circular to be dated on or about 7 November 2016, we have reviewed the accompanying combined statements of financial position of the AMGH Group as at 28 February 2014 and 28 February 2015 and the related combined statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information ("the Historical Combined Financial Information"), as presented in Annexure 4 to the Circular, in compliance with the JSE Limited ("JSE") Listings Requirements.

Responsibility

Directors' responsibility

The directors of Insimbi are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that Insimbi complies with the JSE Listings Requirements. The directors of the AMGH Group are responsible for the preparation and fair presentation of the Historical Combined Financial Information in accordance with International Financial Reporting Standards.

Reporting accountant's responsibility

Our responsibility is to express a conclusion on the Historical Combined Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which applies to a review of historical information. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Historical Combined Financial Information of the AMGH Group as set out in Annexure 4 to the Circular, does not present fairly, in all material respects, the financial position of the AMGH Group as at 28 February 2014 and 28 February 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards and JSE Listings Requirements.

Intended users and purpose of reporting accountant's report

The Historical Combined Financial Information is prepared for the Board of directors of Insimbi to assist them in presenting the financial position and results of the AMGH Group in the Circular, in connection with the proposed transaction, as described in the basis of preparation to the Historical Combined Financial Information. As a result, the Historical Combined Financial Information may not be suitable for another purpose.



PricewaterhouseCoopers Inc.

Director: Megan Naidoo

Registered Auditor

Johannesburg

1 November 2016

PRO FORMA FINANCIAL INFORMATION OF INSIMBI

The tables below set out the *pro forma* financial information of Insimbi based on the published audited consolidated financial results for the year ended 29 February 2016. The *pro forma* financial information has been prepared for illustrative purposes only and because of its *pro forma* nature, may not fairly present Insimbi's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Transactions and in the Insimbi Fundraising going forward.

The purpose of the *pro forma* financial information is to illustrate the impact of the Transactions and the Insimbi Fundraising had it been effective 29 February 2016 for purposes of the *pro forma* consolidated statement of financial position and 1 March 2015 for purposes of the *pro forma* consolidated income statement and on the assumptions set out below. The *pro forma* financial information presented below does not purport to be indicative of the financial results and effects of the Transactions and the Insimbi Fundraising if it had been implemented on a different date.

The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published audited consolidated financial results of Insimbi for the year ended 29 February 2016. The *pro forma* financial information is presented in accordance with the JSE Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants and ISAE 3420: Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus.

The directors are responsible for the compilation, contents and preparation of the *pro forma* financial information. Their responsibility includes determining that the *pro forma* financial information has been properly compiled on the basis stated, which is consistent with the accounting policies of Insimbi and that the *pro forma* adjustments are appropriate for purposes of the *pro forma* financial information disclosed pursuant to the JSE Listings Requirements.

The *pro forma* statement of financial position as at 29 February 2016 and the *pro forma* income statement for the year then ended, should be read in conjunction with the Independent Reporting Accountant's report thereon contained in Annexure 8.

The *pro forma* consolidated income statement below presents the effects of the Transactions and the Insimbi Fundraising on the published audited consolidated financial results of Insimbi for the year ended 29 February 2016 on the assumption that the Transactions and the Insimbi Fundraising were effective 1 March 2015.

PRO FORMA CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016

R'000	Before ¹	AMR Corporate Group before ³	Consolidation adjustments ⁴		Pro forma after the Transactions and the Insimbi Fundraising
Continuing operations					
Revenue	955 106	1 624 383	(29 795)	4.1	2 549 693
Cost of sales	(830 137)	(1 418 712)	29 795	4.1	(2 219 054)
Gross profit	124 969	205 670	-		330 639
Other income	2 638	5 532			8 170
Operating expenses	(83 219)	(129 897)	(12 103)	4.2	(225 220)
Operating profit/(loss)	44 388	81 305	(12 103)		113 590
Investment revenue	78	342			420
Finance cost	(8 372)	(1 373)	(14 692)	4.3	(24 437)
Profit before taxation	36 094	80 275	(26 795)		89 573
Taxation	(7 264)	(24 008)	2 918	6	(28 354)
Profit for the year	28 830	56 266	(23 877)		61 219
Profit attributable to:					-
Owners of the parent	29 391	56 266	(23 877)		61 780
Non-controlling interest	(561)	-	-		(561)
Profit for the year	28 830	56 266	(23 877)		61 219
Reconciliation between basic earnings and headline earnings					
Basic earnings	29 391	56 266	(23 877)		61 780
Loss on sale of assets	(30)	(164)			(194)
Headline earnings	29 361	56 103	(23 877)		61 587
Weighted and diluted average number of shares ('000)	236 389		150 000	3.5	386 389
Earnings per share (cents)	12.43				15.99
Diluted earnings per share (cents)	12.43				15.99
Headline earnings per share (cents)	12.42				15.94
Diluted headline earnings per share (cents)	12.42				15.94

Notes and assumptions:

- The Insimbi information reflected in the "Before" column has been extracted from the published audited consolidated financial statements of Insimbi Refractory and Alloy Supplies Limited for the year ended 29 February 2016.
- The acquisition of AMR Corporate Group arising pursuant to the Transactions is accounted for in terms of IFRS 3 (revised): Business Combinations and consequently the results of AMR Corporate Group will be consolidated by Insimbi from the effective date of the Transactions. In terms of IFRS, Insimbi has been identified as the acquirer. On the basis that they also control the AMR Corporate Group after the Transactions, this is not deemed to be a reverse acquisition for accounting purposes.
- The AMR Corporate Group information reflected in the "AMR Corporate Group Before" column is based on the historical combined financial information of AMGH for the year ended 29 February 2016 as set out in Annexure 4 to this Circular. The Independent Reporting Accountants' audit report on the historical combined financial information of AMGH for the year ended 29 February 2016 is contained in Annexure 5. The historical combined financial information of AMGH includes the financial results for Spring Lights on the basis that the Spring Lights Transaction is a condition precedent to the Transactions.

4. Represents consolidation entries arising on the acquisition of AMR Corporate Group as follows:

4.1. Sales and cost of sales are eliminated based on actual sales between the Insimbi Group and the AMR Corporate Group for the year ended 29 February 2016.

4.2. Operating expenses are adjusted as follows:

	R'000
Assumed non-recurring transaction costs associated with the Subscription Shares	(2 116)
Amortisation of identified tangible and (intangible) assets based on a provisional fair value allocation exercise in terms of IFRS3: Business Combinations and the related estimated useful life. A fair value allocation exercise in terms of IFRS 3: Business Combinations will need to be performed at the effective date of the Transactions.	(9 987)
	(12 103)

4.3. Finance costs are adjusted as follows:

	R'000
Interest expense calculated at assumed average effective rates of 3-month JIBAR + 3.0 (on borrowings of R67.5m) and 3-month JIBAR + 3.75% (on borrowings of R67.5m) over 12 months on the basis that total borrowings of approximately R135m will be raised in terms of the Insimbi Fundraising	(13 986)
Assumed structuring and arranging fee of R1.3m amortised to finance costs over the assumed term of the borrowings of 5 years	(270)
Opportunity cost on assumed transaction fees assumed to be settled from cash calculated at an average money market rate of 5.15% for 12 months	(436)
	(14 692)

5. The number of shares are increased as follows:

	Number of share ('000)
New Insimbi Shares in terms of the Insimbi Fundraising	100 000
The Share Exchange	50 000
	150 000

Refer to notes 4 and 5 to the pro forma consolidated statement of financial position for additional information and underlying assumptions in relation to the New Insimbi Shares and The Share Exchange.

6. The reduction in tax payable of R2.9 million is based on the impact of opportunity cost of interest income of R436k and deferred tax on the amortisation of identified tangible and intangible assets of R9.9m calculated at the corporate tax rate of 28%.

7. All effects are of a recurring nature except where otherwise noted.

The *pro forma* consolidated statement of financial position below presents the effects of the Transactions and the Insimbi Fundraising on the published audited consolidated financial results of Insimbi for the year ended 29 February 2016 on the assumption that the Transactions and the Insimbi Fundraising were effective on 29 February 2016.

Pro forma consolidated statement of financial position for the year ended 29 February 2016

R'000	Before ¹	AMR Corporate Group before ³	Share Exchange ⁴	Insimbi Fundraising ⁵	Transaction Dividend ⁶	Consolidation adjustments ⁷	Pro forma adjustments ⁸	Pro forma after the Transactions and the Insimbi Fundraising
Assets								
Non-current assets								
Property, plant and equipment	116 658	63 527				52 931	7.1	233 116
Intangible assets	10 613	–						10 613
Other financial assets	–	3						3
Investments in joint ventures	–	1 110						1 110
Goodwill	44 560	8 500				75 276	7.1	128 335
Deferred taxation	8 749	–						8 749
	180 580	73 140		–		128 206		–
Current assets								
Inventories	87 927	24 248						112 175
Derivative financial assets	484	–						484
Investments in subsidiaries		–	50 000		234 000	(284 000)	7.2	–
Taxation receivable		294						294
Trade and other receivables	148 071	97 226				(5 290)	7.2	240 007
Cash and cash resources	10 270	35 651		235 000	(234 000)			(8 466)
	246 752	157 419	50 000	235 000	–	(289 290)		(8 466)
Total assets	427 332	230 560	50 000	235 000	–	(161 084)		(8 466)
Equity and liabilities								
Equity								
Share capital	44 442	–	50 000	100 000				(5 000)
Reserves	21 503	15 797				(15 797)	7.2	21 503
Treasury shares	(14 159)	–						(14 159)
Retained income/ (accumulated loss)	100 251	154 817				(154 817)	7.2	(2 116)
Non-controlling interest	(2 248)	–						(2 248)
	149 789	170 614	50 000	100 000		(170 614)		(7 116)
								292 673

R'000	Before ¹	AMR Corporate Group before ³	Share Exchange ⁴	Insimbi Fundraising ⁵	Transaction Dividend ⁶	Consolidation adjustments ⁷	Pro forma adjustments ⁸	Pro forma after the Transactions and the Insimbi Fundraising
Liabilities								
Non-current liabilities								
Other financial liabilities	47 887	7 778		124 133			(1 350)	178 448
Shareholder loans	3 364	–						3 364
Deferred taxation	13 607	4 091				14 821	7.1	32 519
	64 858	11 870	–	124 133		14 821		(1 350)
								214 331
Current liabilities								
Other financial liabilities	59 822	27 717		10 867				98 406
Current taxation payable	83	4 023						4 106
Trade and other payables	152 730	16 335				(5 290)	7.2	163 775
Bank overdraft	50	–						50
	212 685	48 076	–	10 867		(5 290)		–
								266 337
Total liabilities	277 543	59 945	–	135 000		9 530		(1 350)
								480 668
Total equity and liabilities								
	427 332	230 560	50 000	235 000		(161 084)		(8 466)
								773 341
Number of shares in issue at 29 February 2016 ('000)	237 287	–	50 000	100 000				387 287
Numbers of ordinary shares in issue ('000)	260 000		50 000	100 000				410 000
Treasury shares in issue ('000)	(22 714)	–		–				(22 714)
Net asset value per share (cents)	64.07							76.15
Net tangible asset value per share (cents)	40.82							40.27

Notes and assumptions:

1. The Insimbi information reflected in the "Before" column has been extracted from the published audited consolidated financial statements of Insimbi Refractory and Alloy Supplies Limited for the year ended 29 February 2016.
2. The acquisition of AMR Corporate Group arising pursuant to the acquisition of the Subscription Shares is accounted for in terms of IFRS 3 (revised): Business Combinations and consequently the results of AMR Corporate Group will be consolidated by Insimbi from the effective date of the Transactions. In terms of IFRS, Insimbi has been identified as the acquirer. On the basis that they also control the AMR Corporate Group after the Transactions, this is not deemed to be a reverse acquisition for accounting purposes.
3. The AMR Corporate Group information reflected in the "AMR Corporate Group Before" column is based on the historical combined financial information of AMGH for the year ended 29 February 2016 as set out in Annexure 4 to this Circular. The Independent Reporting Accountants' audit report on the historical combined financial information of AMGH for the year ended 29 February 2016 is contained in Annexure 5. The historical combined financial information of AMGH includes the financial results for Spring Lights on the basis that the Spring Lights Transaction is a condition precedent to the Transactions.

4. Share capital is increased for the Share Exchange totalling R50m being 50,000,000 Insimbi Shares at an assumed share price of R1.00 per share (the Insimbi Trading Price as described in paragraph 10.1 of the Circular). Investment in subsidiaries is increased accordingly. To the extent that the NPAT Target is not met, the number of shares issued in terms of the Share Exchange will be decreased as described in paragraph 10.2.3 of the Circular. Should this be the case, any changes in the number of shares and re-measurements arising as a result, will be accounted for within equity after the expiry of the NPAT Target Period.
5. Represents entries arising on the Insimbi Fundraising as follows
 - 5.1. Share capital is increased by R100m being an assumed 100 000 000 New Insimbi Shares at a share price of R1.00 per Insimbi share, being the agreed share price with prospective investors in terms of the Insimbi Fundraising.
 - 5.2. Non-current and current financial liabilities are increased by R135m being assumed funding raised from third party financial institutions in terms of the Insimbi Fundraising.
6. Represents the Transaction Dividend of R234m with a corresponding increase in investment in subsidiaries.
7. Represents consolidation entries arising on the acquisition of AMGH Corporate Group as follows:
 - 7.1. The assumed purchase consideration of R284m for the acquisition of the AMR Corporate Group has been assumed to be allocated between tangible assets and identifiable intangible assets and goodwill based on a provisional fair value allocation exercise in terms of IFRS3: Business Combinations. The identifiable tangible and intangible assets are assumed to be amortised over their respective useful lives as determined within the provisional fair value allocation exercise. The fair value exercise will need to be performed on the effective date of the Transactions and may differ from the assumptions underlying these pro forma effects.

	R'000
Assumed purchase consideration based on Exchange Shares and Share Subscription as described above	284 000
Reported net asset value of AMGH as at 29 February 2016*	(170 614)
Subtotal	113 386
Fair value uplift attributed to land and buildings, plant and machinery	(52 931)
Deferred tax thereon	14 821
Goodwill	75 276

* Note: No pro forma adjustment is made to the reported net asset value of AMGH as at 29 February 2016 in respect of the AMR Pre Acquisition Dividend on the basis that the AMR Pre Acquisition dividend is not declared as a direct result of the Transactions. Furthermore, the AMR Pre Acquisition Dividend is being funded from earnings generated between the period 1 March 2016 and 8 September 2016, being the declaration date of the dividend.

- 7.2. Standard consolidation journal entries in terms of IFRS (e.g. elimination of investment in subsidiaries and intercompany balances as well as the elimination of pre-acquisition equity and reserves).
8. Assumed non-recurring transaction costs of R8.5 million are settled from cash and cash equivalents and accounted for as follows in terms of IFRS.
 - 8.1. Assumed transaction costs totalling R5 million relating to the Share Exchange and the New Insimbi Shares are credited to equity.
 - 8.2. Assumed structuring and arranging fees on borrowings totalling (R1.3 million) are set off non-current other financial liabilities.
 - 8.3. Assumed transaction costs totalling R2.1 million pertaining to the Subscription Shares are adjusted against retained earnings.

ANNEXURE 8

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF INSIMBI

The Board of Directors
Insimbi Refractory and Alloy Supplies Limited
359 Crocker Road
Wadeville, Germiston
1428

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION OF INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED ("INSIMBI" OR "THE COMPANY")

Introduction

Insimbi Refractory and Alloy Supplies Limited ("Insimbi" or "the Company") is issuing a circular to its shareholders ("the Circular") regarding the share exchange and subscription agreement in terms of which Insimbi will acquire Amalgamated Metals Group Holdings Proprietary Limited and incorporating the Insimbi Fundraising (collectively "the Proposed Transaction").

At your request and for the purposes of the Circular to be dated on or about Monday, 7 November 2016, we present our assurance report on the compilation of the pro forma financial information of Insimbi by the directors. The pro forma financial information, presented in paragraph 17 and Annexure 7 to the Circular, consists of the pro forma statement of financial position as at 29 February 2016, the pro forma statement of comprehensive income for the 12 months ended 29 February 2016 and the pro forma financial effects ("the Pro Forma Financial Information"). The Pro Forma Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Company's reported financial position as at 29 February 2016, and the Company's financial performance for the period then ended, as if the Proposed Transaction had taken place at 29 February 2016 and 1 March 2016, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 29 February 2016, on which an audit report has been published.

Directors' responsibility

The directors of Insimbi are responsible for the compilation, contents and presentation of the Pro Forma Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 17.2 and Annexure 7. The directors of Insimbi are also responsible for the financial information from which it has been prepared.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

As the purpose of Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the Pro Forma Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 17 and Annexure 7 of the Circular.



PricewaterhouseCoopers Inc.

Director: Megan Naidoo

Registered Auditor

Johannesburg

1 November 2016



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2002/029821/06

JSE Share Code: ISB

ISIN Code: ZAE000116828

REVISED LISTING PARTICULARS

The “Corporate Information and Advisors” section on the inside front cover of the Circular, and the “Definitions and Interpretations” section commencing on page 6 of the Circular apply, *mutatis mutandis*, to these Revised Listing Particulars. Each reference to “the Circular” in these Revised Listing Particulars shall be a reference to the Circular of which these Revised Listing Particulars form part.

These Revised Listing Particulars do not constitute an invitation to the public to subscribe for shares, but are issued in compliance with the Listings Requirements for the purpose of providing information to Insimbi Shareholders in relation to the Company after the implementation of the Transactions.

These Revised Listing Particulars have been prepared on the assumption that the resolutions proposed in the notice of General Meeting forming part of the Circular, will be passed at the General Meeting of Insimbi Shareholders to be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa on Monday, 5 December 2016 at 14:00 and that the Transactions will be implemented.

As at the Last Practicable Date:

- the authorised ordinary share capital of Insimbi consisted of 12 000 000 000 Insimbi Shares of which 260 000 000 Insimbi Shares were in issue;
- the share premium account relating to the Insimbi Shares had a total value of R44 442 000; and
- No Insimbi Shares were held as treasury shares.

After the Transactions are implemented:

- the authorised share capital of Insimbi after implementation of the Transactions will comprise 12 000 000 000 Insimbi Shares, of which 410 000 000 Insimbi Shares will be in issue;
- the share premium account relating to the Insimbi Shares will have a total value of R194 438 250;
- the Insimbi Exchange Shares and the new Insimbi Shares will rank *pari passu* in all respects with the existing Insimbi Shares in issue; and
- No Insimbi Shares will be held as treasury shares.

The Directors, whose names appear in the “Corporate Information and Advisors” section of the Circular, 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, the omission of which, would render any statement in these Revised Listing Particulars false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that the Revised Listing Particulars contain all information required by law and the Listings Requirements.

**Corporate Advisor and
Sponsor to Insimbi**



Bridge Capital

**Independent reporting accountant
to Insimbi and AMGH**



PricewaterhouseCoopers Inc.

Legal Advisor to Insimbi



Falcon and Hume Attorneys Inc.

Date of issue: Monday, 7 November 2016

These Revised Listing Particulars are only available in English. Copies of these Revised Listing Particulars may be obtained from the registered office of Insimbi, being 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa from Monday, 7 November 2016 to Monday, 5 December 2016.

These Revised Listing Particulars should be read in conjunction with the Insimbi reverse take-over Circular of which these Revised Listing Particulars form part.

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REVISED LISTINGS PARTICULARS

1. INTRODUCTION

- 1.1 Subject to paragraph 1 of the Circular, the General Meeting will be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa on Monday, 5 December 2016 at 14:00 to consider and, if deemed fit, approve the resolutions necessary to implement the Transactions. The notice convening the General Meeting is attached to and forms part of this Circular of which these Revised Listing Particulars form part.
- 1.2 These Revised Listing Particulars have been prepared on the assumption that the Transactions will be implemented, and are intended to provide Insimbi Shareholders with information in relation to the Company after the implementation of the Transactions.

2. PURPOSE OF THE REVISED LISTING PARTICULARS

The information pertaining to the purpose of the Circular wherein the particulars of the Circular are contained and of which these Revised Listing Particulars form part is detailed in paragraph 2 of the Circular.

3. NATURE OF THE BUSINESS OF INSIMBI AND THE AMR CORPORATE GROUP

Details on Insimbi and the AMR Corporate Group and the nature of each of these businesses is contained in paragraph 4 and 5, respectively of the Circular of which these Revised Listing Particulars form part. Furthermore, other than as disclosed in its audited annual financial statements, Insimbi has no other government protection and/or investment encouragement law affecting the Company.

3.1 Property acquired or to be acquired

Other than as disclosed in paragraph 5 of the Circular (to which these Revised Listing Particulars form part), there have been no other Material acquisitions of property within the last three years prior to the Last Practicable Date or proposed acquisition by Insimbi or any of its major subsidiaries, or any subsidiary where the acquisition or proposed acquisition is Material to the acquisition other than the Spring Lights Transaction in which all Entities of the AMR Corporate Group form one indivisible transaction.

3.2 Disposal of property

There has been no Material property disposed of during the past three years prior to the Last Practicable Date, or to be Disposed of, by Insimbi, its major subsidiaries or any subsidiary where such Disposal is Material to Insimbi.

4. THE GROUP STRUCTURE (BEFORE AND AFTER IMPLEMENTATION OF THE TRANSACTIONS)

An overview of the Insimbi and the AMR Corporate Group's structure and details of Insimbi's subsidiaries and associates are set out in Annexure 1 to the Circular of which these Revised Listing Particulars form part. Furthermore, the AMR Corporate Group shall become a major subsidiary of the Company after implementation of the Transactions.

5. PROSPECTS

The Director's opinion on the prospects of Insimbi is set out in paragraph 16 of the Circular of which these Revised Listing Particulars forms part.

6. SHARE CAPITAL OF INSIMBI (BEFORE AND AFTER IMPLEMENTATION OF THE TRANSACTIONS)

The share capital of Insimbi before and after the Transactions is set out in paragraph 18 of the Circular of which these Revised Listing Particulars forms part.

7. INSIMBI SHARES

- 7.1 The authorised and issued Insimbi Shares (including the Insimbi Exchange Shares and the new Insimbi Shares) are all of the same class and shall rank *pari passu* in every respect including their ranking for dividends;
- 7.2 No Insimbi Share has any special right to any dividends, capital or profits of Insimbi;
- 7.3 No Insimbi Share has any preferential voting, exchange or conversion rights;
- 7.4 At any general meeting, every Insimbi Shareholder present in person or by proxy shall have one vote on the number of Insimbi Shares he holds or represents and on a poll shall be entitled to exercise one vote for every Insimbi Share held;
- 7.5 Extracts from Insimbi's MOI, are set out in Appendix 1 to these Revised Listing Particulars;
- 7.6 Insimbi's MOI requires a special resolution to be passed by Insimbi Shareholders in order to vary the rights attaching to Insimbi Shares; and

- 7.7. All the authorised but unissued Insimbi Shares are under the control of the Insimbi Shareholders.
- 7.8 Particulars of the new Insimbi Shares to be issued in terms of the Insimbi Fundraising are as follows:
- 7.8.1 The class of the new Insimbi Shares to be issued by the Company comprises ordinary shares. Furthermore, the Company only has ordinary shares in issue in terms of its MOI as detailed in paragraph 1.2 of Appendix 1;
- 7.8.2 The value of the new Insimbi Shares to be issued in terms of the Insimbi Fundraising amounts to R100 000 000 and the aggregate number of shares issued in this respect amounts to 100 000 000 Insimbi Shares;
- 7.8.3 The Insimbi Shares will be issued at a price of R1.00 per Insimbi Share;
- 7.8.4 These Insimbi Shares shall rank *pari passu* in every respect including their ranking for dividends, as follows:
- 7.8.4.1 There is no time limit after which entitlement to dividends lapses;
- 7.8.4.2 There is no fixed date on which entitlement to dividends arises; and
- 7.8.4.3 Save in the instance where a distribution relates to cash dividends paid out of retained income, scrip dividends and/or capitalisation issues ("specific payments") any other distribution which is contemplated by the Company to be paid to Insimbi Shareholders which is not a pro rata payment in accordance with the respective shareholdings will require a special resolution of the shareholders at a quorate general/annual general meeting;
- 7.8.5 None of these Insimbi Shares have any preferential voting, exchange or conversion rights;
- 7.8.6 Following the issue of these shares, original share certificates in relation to the new Insimbi Shares shall be delivered;
- 7.8.7 The treatment of fractions, with respect to such new Insimbi Shares issued shall be dealt with in accordance to Insimbi's MOI; and
- 7.8.8 Other than as disclosed in this Circular (to which these Revised Listing Particulars form part), no other Material terms and conditions of the issue of these new Insimbi Shares exists.

The new Insimbi Shares will be in terms of a vendor consideration placement in terms of 5.62 of the Listings Requirements. The board of Insimbi gave approval for the AMR transaction and its terms on 19 July 2016. As of close of business on 18 July 2016, the 30 day VWAP for Insimbi was R1.0267 per share. As a result of this, the discount offered on the Insimbi Shares to be placed via means of a vendor placement is 2.67%. As a result of this, no further shareholder approval is required as the discount is not in excess of 10% of the 30 day VWAP when the terms were agreed.

The allocation of such new Insimbi Shares have not yet been finalised as this allocation is subject to finalisation of the Insimbi Fundraising. However, such Insimbi Shares will be allocated to a combination of various institutions and high net worth individuals.

- 7.9 Dividend rights attached to the Insimbi Exchange Shares
- 7.9.1 The Insimbi Exchange Shares shall rank *pari passu* in all respects with the existing Insimbi Shares including their ranking for dividends, as follows:
- 7.9.1.1 Save for the possible change in the proportionate shareholding in Insimbi as a consequence of the Released Insimbi Exchange Shares, there is no time limit after which entitlement to dividends lapses;
- 7.9.1.2 Save for the possible change in the proportionate shareholding in Insimbi as a consequence of the Released Insimbi Exchange Shares, there is no fixed date on which entitlement to dividends arises; and
- 7.9.1.3 Save for the possible change in the proportionate shareholding in Insimbi as a consequence of the Released Insimbi Exchange Shares, paragraph 7.8.4.3 shall apply to the Insimbi Exchange Shares.

8. LISTINGS ON OTHER STOCK EXCHANGES

There are no other classes of shares of Insimbi listed, and no shares of Insimbi are listed on any stock exchange other than the JSE.

9. OPTIONS OR PREFERENTIAL RIGHTS

No option or preferential right of any kind was or is proposed to be given to any person to subscribe for any Insimbi Share.

10. INSIMBI EMPLOYEE AND MANAGEMENT SHARE PARTICIPATION SCHEME

Details relating to the Insimbi's employee and management share participation scheme are set out in paragraph 1.2 of Annexure 3 of the Circular of which these Revised Listing Particulars form part.

11. SHARE PRICE HISTORY OF INSIMBI SHARES

The share price history of Insimbi Shares traded on the JSE as at the Last Practicable Date are summarised in Appendix 5 to these Revised Listing Particulars.

12. BORROWINGS

12.1 Borrowing powers

Extracts from Insimbi's MOI in relation to the borrowing powers of the Company, exercisable by the Directors, are set out in Appendix 1 to these Revised Listing Particulars. There are no restrictions on the borrowing powers of Insimbi.

In relation to Insimbi, the borrowing powers may be varied by an amendment to Insimbi's MOI. In respect of Insimbi's subsidiaries, details of the manner in which borrowing powers may be varied is set out in Appendix 1 to these Revised Listing Particulars.

The borrowing powers of the Company have not been exceeded during the three years before the date of issue of these Revised Listing Particulars.

There are no exchange control restrictions on the borrowing powers of Insimbi or any of its subsidiaries.

12.2 Debentures

Insimbi has not issued any debentures or debenture stock as at the Last Practicable Date.

12.3 Material loans

Details of Material loans made to Insimbi and/or any of its subsidiaries, as at the Last Practicable Date, are set out in Appendix 2 to these Revised Listing Particulars.

12.4 Material commitments, lease payments and contingent liabilities

Other than as disclosed in its audited annual financial statements for the year ended 29 February 2016, Insimbi has no Material commitments, lease payments and contingent liabilities as at the Last Practicable Date.

12.5 Loan capital

Insimbi has no outstanding loan capital as at the Last Practicable Date.

13. LOANS RECEIVABLE

13.1 Material loans receivable

There are no Material loans made by Insimbi or by any of its subsidiaries as at the Last Practicable Date other than as disclosed in Insimbi's most recent audited financial statements for the year ended 29 February 2016 or Appendix 2 to these Revised Listing Particulars.

13.2 Loans made to directors

No loans have been made or security furnished by Insimbi or by any of its subsidiaries to or for the benefit of any Director or manager or any associate of any Director or manager of Insimbi as at the Last Practicable Date.

13.3 Inter-company financial and other transactions

Other than as disclosed in Insimbi's most recent audited financial statements for the year ended 29 February 2016, there are no Material inter-company financial and other transactions in respect of the Group as at the Last Practicable Date.

Other than as disclosed in Appendix 2 to these Revised Listing Particulars, there are no Material loans made by any of the entities of the AMR Corporate Group as at the Last Practicable Date.

14. CONTROLLING SHAREHOLDERS

As at the Last Practicable Date, no Insimbi Shareholder (other than the Directors' interest in Insimbi Shares whose details are outlined in paragraph 23 of the Circular and the major shareholders detailed in paragraph 22 of the Circular of which these Revised Listing Particulars form part) holds a controlling interest in the issued share capital of the Company and no person will hold a controlling interest in the issued ordinary share capital of the Company as a result of the Transactions.

15. MAJOR SHAREHOLDERS

Details of the major Insimbi Shareholders before and after the Transactions are set out in paragraph 2 of Appendix 2 of these Revised Listing Particulars.

16. DIRECTORS

16.1 Details and experience

The full details of the Directors whose names appear on page 13 and the names and details of the directors of major subsidiaries whose names appear in Appendix 3 of the circular are set out in Appendix 3 to these Revised Listing Particulars.

16.2 Directors' declarations

In terms of Schedule 21 of the Listings Requirements, all of the Directors have completed a directors' declarations upon their appointment and nothing, in relation to the provisions therein, has changed since their appointment. The directors declarations are set out in Appendix 3 to these Revised Listing Particulars.

16.3 Opinions and recommendations

The full details of the Directors opinions and recommendations are set out in paragraph 20 of the Circular to which these Revised Listing Particulars form part.

17. QUALIFICATION, APPOINTMENT AND REMUNERATION OF DIRECTORS

17.1 Extracts from MOI

A summary of the relevant provisions of the Company's MOI is set out in Appendix 1 to these Revised Listing Particulars concerning:

- the share capital of the Company;
- the election and appointment of Directors;
- the vacancies and rotation of Directors;
- the executive and non-executive Directors; and
- the remuneration of Directors.

17.2 Directors' remuneration, benefits and share options

Details of Directors' remuneration, benefits and share options are set out in Appendix 3 to these Revised Listing Particulars.

17.3 Fees payable in lieu of directors' fees

Save for as set out in Appendix 3 to these Revised Listing Particulars, no fees are paid or accrued as payable to a third party in lieu of directors' fees.

17.4 Variation in remuneration

There will be no variation in the remuneration of the Directors as a result of the Transactions. The variation in the remuneration of the directors of the AMR Corporate Group has been included in paragraph 4 of Appendix 3 of these Revised Listing Particulars.

17.5 Third party management under contract or arrangement

No part of the Group's business is managed by a third party under a contract or arrangement.

17.6 Directors' interests in promotion and property of Insimbi

None of the Directors had any Material beneficial interest, direct or indirect, in the promotion of Insimbi and in any property acquired or proposed to be acquired out of the proceeds in relation to the Transactions during the three years preceding the Last Practicable Date and, none of the Directors had any Material beneficial interest, where such interest consists of being a member in a partnership, company, syndicate or other association of person.

No payments were made to, or have been agreed to be paid to, any Director or any company in which he is beneficially interested, directly or indirectly, or of which he is a director (the "associate company") or to any partnership, syndicate or other association of which he is member (the "associate entity") either to induce him to become, or to qualify him as a Director or otherwise for the services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Insimbi.

17.7 Directors' interests in Insimbi Shares

Details of the interests of Directors in Insimbi Shares are set out in paragraph 23 of the Circular and paragraph 2 of Appendix 3 to these Revised Listing Particulars. Furthermore, none of the directors of the AMR Corporate Group hold any Insimbi Shares as at the Last Practicable Date.

17.8 Directors' interests in the Transactions

Details of the Directors' interests before and after the Transactions are set out in paragraph 23 of the Circular and paragraph 2 of Appendix 3 to these Revised Listing Particulars.

18. INTERESTS OF THE CORPORATE ADVISOR

The Corporate Advisor to the Transactions holds no interest, whether directly or indirectly, in the Company as at the Last Practicable Date.

19. PROMOTERS

Insimbi has not paid or accrued as payable any amounts to a promoter or to any syndicate, partnership or other association of which any advisor or promoter was a member, during the three years preceding the Last Practicable Date.

No promoter had any interest, direct or indirect, in the promotion of Insimbi or in any property acquired or proposed to be acquired out of the proceeds of the Transactions during the three years preceding the Last Practicable Date and no promoter has any such interest currently.

20. COMMISSIONS

No amount has been paid, or has been accrued as payable, within the three years prior to the Last Practicable Date, as commission to any person, including commission paid or payable to any sub-underwriter that is the holding company or a promoter or director or officer of Insimbi, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any Securities of Insimbi.

21. EXPENSES

As at the Last Practicable Date, estimated expenses of R8,466,000 were provided for in respect of the Transactions which will be settled in cash. Details of the expenses (excluding value-added tax) are set out in paragraph 25 of the Circular of which these Revised Listing Particulars form part.

22. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear in the "Corporate Information and Advisors" section of the Circular and of which these Revised Listing Particulars form part, 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, the omission of which, would render any statement in these Revised Listing Particulars false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that the Revised Listing Particulars contains all information required by law and the Listings Requirements.

23. MATERIAL CHANGES

There have been no Material changes in the business of the Group during the last five years preceding the Last Practicable Date.

Save as contemplated by the Transactions, there have been no Material changes in the financial or trading position of Insimbi or any of its subsidiaries, that have occurred since the end of the last financial period for which audited annual financial statements have been published.

24. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

Details of the principal immovable properties owned or leased by Insimbi and its subsidiaries as at the Last Practicable Date are set out in Appendix 4 to these Revised Listing Particulars.

25. MATERIAL ACQUISITIONS AND/OR DISPOSALS

25.1 Material acquisitions

Save for the acquisition contemplated by the Transactions (including the Spring Lights Transaction) in terms of the Agreement and the acquisition by Insimbi of Polydrum Proprietary Limited disclosed in Annexure 3 of the Circular of which these Revised Listing Particulars form part, no Material immovable properties, fixed assets, Securities and/or business undertakings have been acquired by Insimbi or its subsidiaries in the three years preceding the Last Practicable Date.

Furthermore, as at the Last Practicable Date other than the Spring Lights Transaction, Insimbi and its subsidiaries do not have any option to acquire any Material immovable properties, fixed assets, Securities and/or business undertakings.

25.2 Material disposals

No Material immovable properties, fixed assets, Securities and/or business undertakings have been disposed of in the three years prior to the Last Practicable Date or during the six months after the Last Practicable Date by Insimbi.

There have been no Material acquisitions made by the AMR Corporate Group 12 months prior to the Last Practicable Date other than as contemplated in this Circular in relation to the Transactions. Other than the Spring Lights Transaction detailed below, there have been no material Disposals.

Date of the Disposal	Refer to paragraph 8 of the Circular to which these Revised Listing Particulars form part
Consideration	R34 000 000
Details of the valuation of the property	A formal valuation report was conducted by Van Zyl Valuers CC in relation to Spring Lights and Zamsaf.
Names and addresses of the purchasers	The Acquirors

26. HISTORY OF CHANGE

There has been no change in controlling shareholders and trading objects of the Group in the last five years preceding the Last Practicable Date.

27. PROSPECTS

An overview of the prospects of the Group is set out in paragraph 16 of the Circular of which these Revised Listing Particulars form part of.

28. LITIGATION STATEMENT

There are no legal or arbitration proceedings, pending or threatened, of which Insimbi is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, resulting in a Material effect on the financial position of the Group. Similarly, there are no legal or arbitration proceedings, pending or threatened, of which the AMR Corporate Group is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, resulting in a Material effect on the financial position of the AMR Corporate Group.

29. FINANCIAL INFORMATION

Insimbi's audited annual financial statements for the financial years ended 28 February 2014, 28 February 2015 and 29 February 2016 are available on the Company's website (www.insimbi-alloys.co.za). Furthermore, the financial information in relation to the AMR Corporate Group and the pro forma financial effects of the Transactions are detailed in paragraph 17 of the Circular to which these Revised Listings Particulars form part of.

30. WORKING CAPITAL STATEMENT

The working capital statement required from the Directors in terms of the Listings Requirements is contained in paragraph 19 of the Circular of which these Revised Listing Particulars form part.

31. MATERIAL CONTRACTS

31.1 Material contracts of Insimbi

Details of Material contracts of the Group are provided in paragraph 30 of the Circular of which these Revised Listing Particulars form part. Furthermore, there are no royalties payable or items of a similar nature in respect of Insimbi and any of its major subsidiaries.

31.2 Material contracts of the AMR Corporate Group

Details of Material contracts of the AMR Corporate Group are provided in paragraph 30 of the Circular of which these Revised Listing Particulars form part.

32. CORPORATE GOVERNANCE

Insimbi endorses the principles of the Code of Corporate Practices and Conduct recommended in the King Report on Corporate Governance. The Company continues to develop its governance policies, practices and procedures in line with an integrated governance, risk and compliance framework. The Board is satisfied and believes that every effort has been made in 2015/16 to apply all material aspects of King III as far as appropriate.

In addition, the Company has adopted a combined assurance strategy and plan that provides a framework for the various assurance providers to provide assurance to the Board, through the Audit and Risk, SHE, Social and Ethics Committees, that all material matters facing the Company are adequately managed and that assurance activities are integrated and coordinated in the most efficient and proficient manner.

During the year ended 29 February 2016, focus had been placed on areas in which the application of the King III principles could be improved such as risk management, integrated reporting structure and processes and compliance. In support of the Company's commitment to strengthen its application of the King III principles:

- The Group has enhanced its risk assessment procedures to include strategic objectives, extensive risk categorisation, periodic assessment of risk movements, assessing assurance over risks, prioritised residual risk exposures and action plans.
- Management completed a review of the Group's compliance function with the objective of providing assurance on the initiatives taken to date as well as the compilation of a roadmap and advice on a way forward to mature the Company's compliance function.
- IT governance, was highlighted as one of the areas that requires an in-depth review of the Group's processes as they relate to King III.

The Board and executive management base all of their decisions and actions on the business judgement rule principles that underpin good corporate governance:

- **Responsibility:** the Board assumes responsibility for the assets and actions of the Company and corrective actions are taken, if required, to keep the Company on its strategic path;
- **Accountability:** the Board ensures that it is able to justify its decisions and actions to shareholders and other stakeholders who require it to do so;
- **Fairness:** fair consideration is given to the interests of all stakeholders of the Company by the Board; and
- **Transparency:** information is disclosed by the Board in such a manner that it enables shareholders to make an informed analysis of the Company's performance.

Ethical code and values

Insimbi's Code of Ethics defines the vision and mission of how Insimbi plans to achieve excellence in this area and the impact it has, not just on the realisation of its long-term vision, but also on the day-to-day actions it takes. A set of values and a behavioural Code of Ethics require staff to display integrity, mutual respect and openness, and to afford them the right and obligation to challenge others who are not adhering to these values.

The Social and Ethics Committee is responsible for monitoring ethics practices and the report of the committee appears on page 19 of the 2016 Integrated Annual Report. The Social and Ethics Committee will review and update the Group's documented policies and practices to enhance and promote ethical conduct and good corporate citizenship and the Group's pledge to:

- Demonstrate integrity in everything they do;
- Promote teamwork to achieve common goals;
- Celebrate innovation;
- Perform with professionalism, skill and care; and
- Develop customer satisfaction.

These policies also set stringent standards relating to the acceptance of gifts from third parties and declarations of potential conflicts of interest.

The Board opted not to do a third ethics survey in 2016.

Board of Directors and Non-executive Directors

The Board is based on a unitary structure and retains full and effective control of the Group, acting as a link between management and the stakeholders.

Board composition

At year-end the Board comprised three independent non-executive Directors as follows:

- Lerato Yvonne Okeyo – Independent non-executive Director;
- Brian Craig – Independent non-executive Director; and
- Cleopatra Salaphi Shiceka – Independent non-executive Director,

Two non-executive Directors, as follows:

- Pamela Mogotlane; and
- Nelson Mwale;

and four executive Directors as follows:

- Pieter Jacobus Schutte – Chief executive officer;
- Frederik Botha – Commercial and Financial Director;
- Eduard Philip Liechti – Sales Director; and
- Colin Francis Botha,

and is chaired by Ms. LY Okeyo. Assessments of the performance of the Board collectively and the Directors individually were conducted in March 2015. The Board was assessed on its effectiveness and composition, Board dynamics, risk management, ethical leadership and corporate citizenship, remuneration of Directors and succession planning. Individual Directors were appraised in terms of knowledge, skills and execution of duties. The results were summarised in a report from the company secretary to the Chairperson of the Board.

Insimbi believes that there are a sufficient number of independent non-executive Directors on the Board to create a suitable balance of power and prevent the dominance of the Board by one individual or by a small number of individuals.

In the same process, the Directors formally assessed the performance of the Chairperson and the CEO, which was reported to the Board by the Chairperson of the Remuneration and Nominations Committee. All assessments are approached in a constructive manner with a view of improving the effectiveness of the Board, the Chairperson and the Directors.

Considerable thought has been given to the Board composition and legislative requirements. The Board is committed to implementing a strategy to deal with compliance in this area.

The roles of chairperson and chief executive officer are separated in line with the recommendations of King III and JSE regulations. The chairperson is an independent non-executive Director of the Company.

Appointment to the Board

To ensure rigorous and transparent procedures, any new appointments of a Director are considered by the Board as a whole, on the recommendation of the Remuneration and Nominations Committee.

Newly appointed directors are required to attend the Directors Induction Course within two months after their appointment. The current board of Directors received and attended presentations and discussion on legislative changes during the year ended 29 February 2016. The Company has a policy whereby Directors and management are encouraged to stay abreast of changes in the legislative environment as well as the market place.

Board responsibilities

The Board is ultimately responsible for the Company's performance and affairs, which includes protecting and enhancing the Company's wealth and resources, timely and transparent reporting and acting at all times in the best interest of the Company and its stakeholders. In fulfilling this responsibility, the Board oversees the strategy, acquisition and divestment policy, risk management, financing and corporate governance policies of the Company.

The Board is responsible for ensuring that controls and procedures are in place to ensure the accuracy and integrity of accounting records so that they provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements.

The Board also considers empirical information including the extent, if any, of the Director's interest in the business in terms of direct or indirect shareholding and/or any interests in contracts with the Company. Where practicable to do so, the Board will assess the materiality of the Director's interest, but considers that amounts constituting less than 5% are immaterial.

The Board defines levels of materiality, reserving specific powers for itself and delegating other matters with the necessary authority to management and board committees. A process of control enables the Board to assess and mitigate risks and directs the attainment of the group's objectives. This environment sets the tone for the Group, embracing ethics and values, organisational philosophy and employee competence.

The Board is particular regarding actual or perceived conflicts of interest with disclosure required at each and every board meeting.

Under Audit and Risk Committee supervision and with management, the Board seeks to identify the Group's key risk areas and key performance indicators and updates and reviews them regularly. Full and timely information is supplied to the Board and committee members and they have unrestricted access to all Company information, records, documents and property.

The Board delegates certain functions to well-structured committees without abdicating its own responsibility. Board committee charters define the purposes, authority and responsibility of the various board committees and have been developed for the:

- Audit and Risk Committee;
- Remuneration and Nominations Committee;
- Social and Ethics Committee; and
- Pension Fund Management Committee.

Board Committees

The Audit and Risk Committee ("the committee")

Terms of reference and functions

The committee consists of three independent non-executive Directors and was established to assist the Board in discharging its duties relating to the safeguarding of assets, the operation systems, control processes and the preparation of accurate financial reporting and statements in compliance with all legal requirements and accounting standards.

The committee does not perform any management functions or assume any management responsibilities. The committee provides a forum for discussing business risk and control issues for developing relevant recommendations for consideration by the Board.

The committee has adopted formal terms of reference and has satisfied its responsibilities for the year in compliance with its terms of reference, which functions of the committee include:

- Consider and make recommendations on the appointment of the external auditors for non-audit services;
- Prior to the commencement of the audit, discuss and review the auditor's engagement letter, the nature and scope of the audit and the audit fee;
- Evaluation of the independence and effectiveness of the auditors and consideration of any non-audit services rendered to determine if these substantively impair their independence;
- Oversee and report on the integrated reporting processes; and
- Ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.

Internal controls

Internal audit function

The committee has taken note of Principle 7.1 of King III, whereby it proposes that the Board should ensure that an effective risk-based internal audit function is in place. The Board delegated this function to management. Management completed a financial and internal control combined assurance effectiveness assessment and provided a written report to the committee. The Audit and Risk Committee has satisfied itself that the Company's internal controls are designed to provide reasonable assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. In carrying out its tasks, the committee has a wide range of powers to consult both internally and externally in order to acquire the necessary resources to complete its duties.

Risk management

For the year ended 29 February 2016 the Board delegated the risk management processes to the committee as per Principle 4.3 in King III. Management is committed to maintaining and monitoring the best possible strategies to minimise the risks and to ensure the growth of the Company for the best benefit of all its stakeholders. The Company is committed to creating safe and healthy working conditions to minimise the risk of injury or disease to its employees, to prevent the loss of property and to conserve the environment.

The Health, Safety and Environment Committee is responsible for monitoring and creating safe working conditions for employees. Insimbi has not taken any undue, unexpected or unusual risks in the pursuit of reward and there is no current, imminent or envisaged risk that may threaten the long-term sustainability of the Company. As a result of the effective risk management, there have been no Material losses during the year.

In terms of its charter, the Financial Director and members of the executive management may be invited to attend meetings of the committee. The charter stipulates that no fewer than two meetings will be held each year. In the year ended 29 February 2016, the meetings were held on 26 March 2015, 4 May 2015, 30 September 2015 and 20 November 2015.

Information Technology

A policy governs the use and safeguarding of information systems and networks. In terms of Principle 5.7 of King III, information technology relates to financial reporting and this functionality contributes to the status of the Group as a going concern. For the year ended 29 February 2016, the committee assisted the Board in measuring and understanding the Company's overall exposure to information technology risks.

The risks regarding the security, back-up, conversion and update of the information technology systems are continually addressed. Disaster recovery plans are regularly reviewed as disruptions to critical management information could have an impact on continuing operations. The Audit and Risk Committee considers the results of these reviews on a regular basis and confirms the appropriateness and satisfactory nature of these processes, while ensuring that breakdowns involving Material loss, if any, together with remedial actions, are reported to the Board.

Pension Fund Management Committee

The Pension Fund Management Committee was established to ensure the effective management of the pension fund.

Membership and meetings of the Pension Fund Management Committee

The members of the committee during the year ended 29 February 2016 were: Mr PJ Schutte, Mr F Botha and Ms K Holtzhausen representing Insimbi. Mr L Hutton, Ms N Mohamed and Ms M Samons represented the employees. Two meetings were held during the year, the first on 23 March 2015 and the second on 6 November 2015.

The Remuneration and Nominations Committee

The Remuneration and Nominations Committee met twice during the year ended 29 February 2016.

The committee consists of Mr DJ O'Connor, who resigned in June 2015, Ms C Shiceka who was appointed on 7 July 2015, Ms LY Okeyo and Dr GS Mahlali. The committee met twice during the year ended 29 February 2016 on 26 March 2015 and 30 September 2015.

On the recommendation from the JSE, the members agreed that the Chairperson of the Board will be chairing the nominations section and Dr GS Mahlali will be chairing all remuneration items on the agenda.

The committee ensures that the Group's remuneration structures adequately attract and retain talented individuals who can make a contribution to the Group's sustainability. It recommends compensation strategies, policies and remuneration packages, which support the Group's strategic objectives and reward employees for their contribution to the operating and financial performance of the organisation in relation to performance criteria.

The report of the Remuneration and Nominations Committee, which contains a summary of the Group's remuneration policy, is set out on page 20 of the 2016 Integrated Annual Report.

Social and Ethics Committee

The SEC is an organ of the Company and operates within that framework. The committee has an independent role with accountability to the Board.

It is established to assist the Company in overseeing and monitoring the Company's activities in relation to social and ethic development, good corporate citizenship, corporate social responsibility, ethical behaviour and managing environmental impacts; consumer relations and labour and employment development.

Transformation and employment equity will be integrated in this committee's activities. The committee provides a forum for discussing social and ethical matters and for developing relevant recommendations for consideration by the Board.

Membership

The members of the SEC comprise three independent nonexecutive Directors of the Company, namely: Dr GS Mahlali, the Chairperson, Mr DJ O'Connor for the first meeting and then Ms C Shiceka as well as Ms LY Okeyo and by invitation the Directors, HR manager, health and safety manager and employees or any other relevant party of the Company. The committee met on 27 March 2015 and 30 September 2015.

Reporting

The committee reports, through one of its members, to the shareholders, at the Company's annual general meeting on the matters within its mandate and the committee will receive any notices or communications relating to a shareholders' meeting.

Company Secretary

The Company Secretary is accountable to the Board on all governance and statutory matters and in this respect all Directors have access to the services of the Company Secretary. The appointment and removal of the Company Secretary is a matter for the Board as a whole. Newly appointed Directors attend a Directors Induction Programme and the Company Secretary oversees this induction process.

The Board has assessed the competence, qualifications and experience of the Company Secretary, as required in terms of section 3.84 of the Listings Requirements and has agreed that she is sufficiently qualified, competent and experienced to hold the position of Group Company Secretary. The Board made their assessment during a closed session board meeting. The Company Secretary fulfils no executive management function and is not a Director. Therefore, the Board is satisfied that the Company Secretary maintained an arm's length relationship with the executive team, the Board and individual Directors in terms of section 3.84 the Listings Requirements.

An assessment of the Company's application of the 75 corporate governance principles enclosed in the King III report is detailed in Appendix 6 of these Revised Listing Particulars.

33. EXPERTS' CONSENTS

The consents of the various experts to the Transactions have been provided as set out in paragraph 31 of the Circular of which these Revised Listing Particulars form part.

34. DOCUMENTS AVAILABLE FOR INSPECTION

Details of the documents available for inspection are provided in paragraph 32 of the Circular of which these Revised Listing Particulars form part.

35. THE SHARE EXCHANGE AND THE VENDORS

Details relating to the Share Exchange and the Vendors of Material assets to Insimbi or its subsidiaries are disclosed in Annexure 2 to the Circular of which these Revised Listing Particulars form part.

Signed at Wadeville by Frederik Botha in his capacity as Commercial and Financial Director on behalf of all the directors of Insimbi, duly authorised in terms of the Board resolution signed by all of Insimbi's directors:



Frederik Botha

Duly authorised

7 November 2016

APPENDIX 1

EXTRACTS FROM INSIMBI'S MOI

The following extract of Insimbi's MOI includes provisions regarding:

- the qualification of Directors;
- remuneration of Directors;
- any power enabling the Directors to vote remuneration to themselves or members of the Board;
- the borrowing power exercisable by the Directors; and
- retirement or non-retirement of Directors under the age limit.

1. SHARE CAPITAL

- 1.1 The Company's authorised share capital is 12 000 000 000 ordinary shares of 0.000025 cents each.
- 1.2 The Company currently only has ordinary shares in issue and all matters related to the issue of further Securities and other categories of Insimbi Shares are regulated by the Listings Requirements, the Companies Act and the Company's MOI.
- 1.3 Subject to JSE approval, Insimbi Shareholders may from time to time by way of a special resolution at a quorate annual/general meeting authorise that:
 - 1.3.1 The unissued ordinary shares in the authorised share capital of the Company be placed under the control of the Directors for allotment and issue at their discretion;
 - 1.3.2 The Directors are authorised to allot and issue Securities of any class already in issue in the capital of the Company for cash where the Directors consider it appropriate in the circumstances to do so.
- 1.4 Each share in the equity share capital of the Company shall rank *pari passu* in respect of all rights, and entitles its holder to:
 - 1.4.1 exercise 1 (one) vote in respect of each Insimbi Share held, either in person or by proxy on any matter to be decided by a vote of shares of the at every general/annual general meeting; and
 - 1.4.2 participate equally with every other share in any distribution (excluding any payment in lieu of a capitalisation share and any consideration payable by the Company for any of its own shares or for any shares of another company within the same group to Insimbi Shareholders whether during the existence of the Company or upon its dissolution.

2. ELECTION AND APPOINTMENT OF DIRECTORS

- 2.1 All new Directors nominated must be approved by the Insimbi Shareholders at a general meeting and/or annual general meeting.
- 2.2 All of the Directors must be elected by an ordinary resolution of the Insimbi Shareholders at a general meeting, provided such meeting is not conducted in terms of section 60 of the Companies Act.
- 2.3 There will be no *ex officio* directors, as contemplated in section 66(4)(a)(i) of the Companies Act, and no person will have the right to effect the direct appointment or removal of one or more Directors as contemplated in section 66(4)(a)(ii) of the Companies Act.
- 2.4 The provisions of section 68(2) of the Companies Act will apply to the election of Directors, provided that a Directors may be elected in accordance with the following:
 - 2.4.1 An election of a Director that could be conducted at a shareholders meeting may instead be conducted by written polling of all of the Insimbi Shareholders entitled to exercise voting rights in relation to the election of that Directors.
- 2.5 The Board may appoint a person who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Company on a temporary basis until the vacancy has been filled by election, provided that:
 - 2.5.1 All new Directors nominated must be approved by the Insimbi Shareholders at a general meeting or annual general meeting, and during that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Directors of the Company and the authority of the Board in this regard will not be limited or restricted by this MOI. The appointment of a Director to fill such casual vacancy or as an addition to the Board must be confirmed Insimbi Shareholders in the next annual general meeting.

- 2.6 A Director may be employed in any other capacity in the Company or as a Director or employee of a company controlled by, or itself a major subsidiary of, the Company, and in such event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

3. VACANCIES AND ROTATION OF DIRECTORS

- 3.1 At least one third of the non-executive Directors must retire at the Company's annual general meeting (or other general meeting held on an annual basis), provided that the meeting is not conducted in terms of section 60 of the Companies Act and the retiring Directors may be re-elected, provided they are eligible.
- 3.2 The Board through the nomination committee appointed for this purpose should recommend the eligibility of such Directors, taking into account past performance and contribution made to the Company.
- 3.3 The Company may not permit a person to serve as Director if that person is ineligible or disqualified in terms of the Companies Act.
- 3.4 In addition to the grounds of ineligibility of Directors as contemplated in section 69 of the Companies Act, a Director will cease to be eligible to continue to act as a Director, if he/she:
- 3.4.1 gives notice to the Company of his resignation as a Director with effect from the date of, or such later date as is provided for in, that notice; or
 - 3.4.2 absents himself from meetings of Directors for 6 (six) consecutive months without the leave of the other Directors, and they resolve that his office will be vacated, provided that this provision will not apply to a Director who is represented by an alternate Director who does not so absent himself.
- 3.5 There are no minimum qualifications to be met by the Directors of the Company.
- 3.6 Any vacancies on the Board will, from time to time, be dealt with on the basis set out in section 70 of the Companies Act.

4. EXECUTIVE AND NON-EXECUTIVE DIRECTORS

- 4.1 The Directors of the Company may appoint, from time to time, one or more of the Directors as executive directors, who will be employees of the Company, on such terms and conditions of employment as to remuneration and otherwise as the Directors deem fit; provided that such terms and conditions are approved by Insimbi Shareholders in accordance with the provisions of the authority of the Board in terms of the MOI.

5. REMUNERATION OF DIRECTORS:

- 5.1 The Company may pay remuneration to its Directors for services as a Director; provided that such remuneration must be approved by a special resolution passed by the shareholders of the Company within the previous two years and the authority of the Board in this regard is not restricted or limited by its MOI.
- 5.2 The Directors will be paid all travelling, subsistence and other expenses properly incurred by them in the execution of their duties in or about the business of the Company and which are authorised or ratified by the Directors.

6. THE BORROWING POWER OF THE COMPANY

- 6.1 The Board may from time to time exercise unlimited borrowing powers in respect of the Company in the ordinary course of business.

APPENDIX 2

MATERIAL LOANS

Details of Material loans made to the Group as at the Last Practicable Date are as follows:

Insimbi Alloy Supplies Proprietary Limited

Facility agreement between First Rand Bank Limited and Insimbi Alloy Supplies Proprietary Limited	Arose to finance the purchase of the interest in Polydrum Proprietary Limited, as well section 2 of Arglo ERF 42 of 1183 Atlantis
Secured/unsecured	Secured
Lender	First Rand Bank Limited
Amount	R23 million, repayable in 60 equal monthly installments
Interest rate	Prime
Details of security provided, if any	Secured by the property acquired as well as the shares in Polydrum Proprietary Limited acquired
Details of any conversion or redemption rights	None
Financing or repayments of debts that are repayable within 12 months	Existing cash facilities

Insimbi Alloy Properties Proprietary Limited

Facility agreement between First Rand Bank Limited and Insimbi Alloy Properties	Arose when moving over from Nedbank to FNB as a re-finance the properties listed below as securities.
Secured/unsecured	Secured
Lender	First Rand Bank Limited
Amount	R33 million, repayable in 60 equal monthly installments
Interest rate	Prime less 0.5%
Details of security provided, if any	Secured by the first covering bond over following properties, as well as cession of income derived from and cession of insurance policies over: <ul style="list-style-type: none"> - Section 1 of SS Arglo, Cape RD - Erf 856 Wadeville Ext 4 - Erf 756 Wadeville Ext 4 - Ptn 1 of Erf 360 and R/E Wadeville Ext 4 - Section 1, SS 174 Teakwood Road, Wentworth - Erf 23631, Parow
Details of any conversion or redemption rights	None
Financing or repayments of debts that are repayable within 12 months	Existing cash facilities

There are no Material loans made to the AMR Corporate Group as at the Last Practicable Date as AMGH is a newly incorporated in order to facilitate the Transactions. Furthermore, other than as disclosed in the Circular (to which the Revised Listing Particulars and the appendices attached hereto form part), there are no other material loans made by any of the AMR Corporate Group Entities.

THE DIRECTORS

1. DETAILS AND EXPERIENCE

None of the Directors or the directors of Insimbi's major subsidiaries mentioned below, before or after the implementation of the Transactions have:

- ever been convicted of any offence resulting from dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;
- been a director, or alternate director (or equivalent position), to any company that was put into liquidation or has been placed under business rescue proceedings or had an administrator or other executor appointed during the period of his/her appointment (or within the preceding 12 months);
- been adjudged or sequestrated in any jurisdiction;
- been a party to a scheme of arrangement or made any other form of compromise with its creditors;
- been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;
- been barred from entry into any profession or occupation;
- been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;
- been removed from an office of trust, on the grounds of misconduct, involving dishonesty; and
- been granted an order declaring them to be delinquent or placing them under probation in terms of Section 162 of the Companies Act and/or Section 47 of the Close Corporations Act, 1984 (Act No.69 of 1984).

*Unless stated otherwise, the status of the director's (whose management expertise and experience is detailed below) directorship and/or partnership has not changed as at the Last Practicable Date.

1.1 Executive directors

1.1.1 Pieter Schutte (Chief Executive Officer)

Date of appointment: 1 March 2008

Age: 57

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: National Diploma in Ceramic Technology

Experience: Prior to joining Insimbi in 1996, Pieter worked for Vereeniging Refractories Proprietary Limited in its Research Technical Department and later as a Technical Sales Representative and at Cullinan Refractories Proprietary Limited as its Export Sales Manager.

Service contract: On 15 March 2013, Pieter entered into a revised service agreement with Insimbi with respect to his service to the Company as an Executive Director, he was appointed as Chief Executive Officer of the Insimbi Group of Companies in March 2008. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company	Date Appointed	Date Resigned
Insimbi Alloy Properties Proprietary Limited	1 July 2012	N/A
Insimbi Alloy Supplies Proprietary Limited	30 March 2006	N/A
Insimbi Aluminium Alloys Proprietary Limited	26 March 2009	N/A
Insimbi Bulk Commodities	11 May 2008	N/A
Insimbi EmployeeCo Proprietary Limited	1 March 2016	N/A
Insimbi	10 October 2006	N/A
Insimbi Manco Proprietary Limited	22 February 2016	10 June 2016
Insimbi Nano Milling Proprietary Limited	6 November 2011	N/A
Insimbi Refractory and Alloy Supplies	6 November 2004	N/A
Insimbi Thermal Insulations Proprietary Limited	1 November 2009	N/A
Metlite Alloys Properties Proprietary Limited	3 September 2010	N/A
Polydram Proprietary Limited	1 August 2015	N/A
TP Hentiq 6064 Proprietary Limited	4 July 2016	N/A

Save for Insimbi Manco Proprietary Limited, Pieter Schutte remains a Director of the abovementioned Entities.

1.1.2 **Frederik Botha (Financial and Commercial Director)**

Date of appointment: 1 April 2014

Age: 52

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: BCom from the University of Cape Town and a BCompt (Honours) from the University of South Africa. He completed his articles with Coopers & Lybrand (now PricewaterhouseCoopers).

Experience: Frederik worked in Malawi for four years from 1993 to 1997 in a large trading operation in the role of Group Financial Controller and Group Operations Director. From 1997 to 2002 he worked in Zambia in a large basic foodstuff manufacturing and agriculture trading operation in the role of Commercial Director. Fred joined Insimbi in 2002 and sits on the Pension Fund Management Committee. In terms of the restructuring of roles and responsibilities, Fred retains his commercial role but he has also assumed responsibility for the operations of both secondary aluminium smelters, i.e. Insimbi Aluminium Alloys Proprietary Limited and Metlite Alloys Proprietary Limited, as well as the operations of Insimbi Nano Milling Proprietary Limited, the newly established Nano paint manufacturing company. He is also integrally involved in vetting of investment opportunities, due diligences and proposals to the Board once the investment strategy criteria have been met.

Service contract: On 15 March 2013, Frederik entered into a revised service agreement with Insimbi with respect to his service to the Company as an Executive Directors and fulfill the due role of Financial and Commercial Director. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company	Date Appointed
Insimbi Alloy Properties Proprietary Limited	11 June 2004
Insimbi Alloy Supplies Proprietary Limited	30 March 2006
Insimbi Aluminium Alloys Proprietary Limited	21 November 2007
Insimbi Bulk Commodities Proprietary Limited	5 November 2008
Insimbi EmployeeCo Proprietary Limited	1 March 2016
Insimbi	21 October 2006
Insimbi Manco Proprietary Limited	22 February 2016
Insimbi Nano Milling Proprietary Limited	12 January 2012
Insimbi Refractory and Alloy Supplies Proprietary Limited	6 November 2004
Insimbi Refractory and Alloy Supplies Proprietary Limited – Zambia	25 September 2007
Insimbi Technical Textiles	1 November 2007
Insimbi Thermal Insulations Proprietary Limited	1 November 2009
Metlite Alloys Proprietary Limited	7 September 2010
Metlite Alloys Properties Proprietary Limited	3 September 2010
Polydram Proprietary Limited	1 August 2015
TP Hentiq 6064 Proprietary Limited	4 July 2016

1.1.3 *Colin Botha*

Date of appointment: 11 June 2004

Age: 49

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: National Diploma in Metallurgical Engineering from Witwatersrand Technikon

Experience: Colin commenced employment with Insimbi in 1992 as a Technical Sales Representative and has been promoted during his tenure to Divisional Director.

Service contract: On 15 March 2013, Colin entered into a revised service agreement with Insimbi with respect to his service to the Company as an Executive Director. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company	Date Appointed
Insimbi Alloy Supplies Proprietary Limited	30 March 2006
Insimbi Aluminium Alloys Proprietary Limited	21 November 2007
Insimbi	21 October 2006
Insimbi Nano Milling Proprietary Limited	12 January 2012
Insimbi Refractory and Alloy Supplies Proprietary Limited	6 November 2004
Insimbi Refractory and Alloy Supplies Proprietary Limited -Zambia	21 December 2012
Metlite Alloys Proprietary Limited	3 September 2010
Polydrum Proprietary Limited	1 August 2015
TP Hentiq 6064 Proprietary Limited	4 July 2016

1.1.4 *Eduard Liechi*

Date of appointment: 6 November 2004

Age: 55

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: National Diploma in Metallurgical Engineering from Witwatersrand Technikon

Experience: Prior to joining Insimbi in 1988, Eddie worked as a trainee metallurgist at Haggie Rand Germiston. Over the past 25 years Eddie has gained extensive knowledge of Insimbi's product range and has worked in and sold products to the foundry, non-ferrous, refractory and steel industries. His new responsibilities will be the marketing of all exports as well as maintaining local sales to the powder coating, steel and speciality industries. Eddie was appointed to the Board on 11 June 2004 and was appointed as the Chairperson of the Group Health and Safety and Environment Committee on 12 March 2014.

Service contract: On 15 March 2013, Eduard entered into a revised service agreement with Insimbi with respect to his service to the Company as an Executive Director and was appointed as the of the Health and Safety Committee. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company	Date Appointed
Insimbi Alloy Supplies Proprietary Limited	30 March 2006
Insimbi Aluminium Alloys Proprietary Limited	21 November 2007
Insimbi Bulk Commodities Proprietary Limited	5 November 2008
Insimbi	21 October 2006
Insimbi Nano Milling Proprietary Limited	12 January 2012
Insimbi Refractory and Alloy Supplies Proprietary Limited	6 November 2004
Polydrum Proprietary Limited	1 August 2015
TP Hentiq 6064 Proprietary Limited	4 July 2016

1.1.5 Christiaan Coombs (subject to Insimbi Shareholder approval of the Transactions and Insimbi Shareholder approval in the manner prescribed in Insimbi's MOI and section 66 of the Companies Act)

Date of appointment: 17 August 2016

Age: 42

Nationality: South African

Business address: 18 Pallet Crescent, Devland, Johannesburg, 1811, South Africa

Experience: Chris Coombs has over 20 years of experience in the scrap metal trading industry. Chris held the position as corporal in the South African National Defence Force for four years. From there, Chris commenced employment in the scrap metal trading industry, from where he gained all his experience and knowledge of the industry. During 2002, the current directors of Amalgamated Metals Recycling Proprietary Limited, established the Entity, from where they expanded the group to its current position. His focus area is the international commodity trading of the Entity. Even though local trading also form part of his daily duties as a director, vast quantities of the various commodities are traded with international and local ranging between non-ferrous grades as well as ferrous grades of materials. Chris serves on the Board of the Metal Recyclers Association of South Africa (MRA).

Service contract: Chris Coombs service contract with Insimbi will be finalised upon completion of the Transactions. Current directorships/partnerships and directorships/partnerships in the past five years:

Company

Amalgamated Metals Recycling Proprietary Limited
Amalgamated Metals West Rand Proprietary Limited
Amalgamated Metals Recycling SA Proprietary Limited
Spring Lights 1135 CC
Zamsaf Properties Proprietary Limited
AA Metal Recyclers Proprietary Limited
Cronimet Two Joint Venture

1.2 Non-executive directors (*Independent)

1.2.1 Lerato Okeyo (Chairperson)*

Date of appointment: 19 March 2008

Age: 44

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: Bachelor of Science (BSc) in Mathematics and Computer Science, MBA from Wits Business School and a certificate in Leadership Coaching also from Wits Business School

Experience: Lerato has several years' experience in investments, including in heading various BEE investment organizations. She has a keen interest in BEE transformation. She currently chairs the CIDA Empowerment Trust, and the Fluor Development Trust, both of which are education trusts, focusing on the provision of funding for tertiary education and skills development in the construction industry respectively, for historically disadvantaged students.

Lerato is the chairperson of the Insimbi Audit and Risk Committee, and member of the Social and Ethics as well as the Remuneration and Nominations committees.

Service contract: On 17 March 2014, Lerato entered into a revised service agreement with Insimbi with respect to her service to the Company as an Independent Non-Executive Director and was appointed as chairperson of the Board, chairperson of the nominations committee, she is a member audit and risk committee as well as the Social and Ethics Committee. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Insimbi Refractory and Alloy Supplies Salaphisgourmet tretats on the Go Sweeney Paints CIDA Trust Flour Trust

1.2.2 *Cleopatra Schiceka**

Date of appointment: 7 July 2016

Age: 51

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Experience: Cleopatra holds both a Bachelor of Arts in Law and Bachelor of Law degrees from the University of Swaziland, as well as a Higher Diploma in Tax Law from the University of Witwatersrand. She studied Intermodal Logistics, Brokering and chartering, as well as port and terminal operations at the Global Maritime school in New York and has completed a number of leadership development courses, including Advanced Strategic Management (IMD, Switzerland), Advanced Project Finance (Institute of Euromoney, London) and Advanced Leadership Development Program (GIBS).

Cleopatra is currently GM to the Office of the Chief Executive of Transnet Freight Rail. She has served on several legal committees, as well as the General Counsel on the Executive Board of the Union of African Railways and as the African Region representative that advised the Executive Board of the International Association of Railways in Paris. She has served as non-executive director and/or chairperson of various companies and committees.

Service contract: On 1 July 2015, Cleopatra entered into a service agreement with Insimbi with respect to her service to the Company as an Independent Non-Executive Director and was appointed as the chairperson of the audit and risk committee, and a member to the Remuneration and Nominations Committee as well as the Social and Ethics Committee. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Primeserv Group Limited Insimbi Refractory and Alloy Supplies Limited Proprietary Limited FLUOR Proprietary Limited Kwandza Investment Tysav Properties CC Salaphis Gourmet Kitchens Salaphis Gourmet Treats on the Go Salaphis Gourmet Kitchen on Wheels

1.2.3 **Pamela Mogotlane**

Date of appointment: 8 June 2016

Age: 48

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: Bachelor of Commerce

Experience: Pamela has 15 years of financial background. She started working as Junior accountant at Fabcos Investments Holding where she gained experience in finance, then moved to Leading Travel Agency as Finance Manager.

Pamela is the Finance Director for New Seasons Investments Holdings Proprietary Limited and serves on numerous boards of group companies within the New Seasons Investments Holdings portfolio.

Service contract: On 8 June 2016, Pamela entered into a service agreement with Insimbi with respect to her service to the Company as a Non-executive and Pamela was appointed as the chairperson of the social and ethics committee and a member of audit and risk committee. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to Revised Listing Particulars

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
New Seasons Investments Holdings Proprietary Limited
New Seasons Financial Services Proprietary Limited
SEW Eirodrive Proprietary Limited
New Seasons Investors
Fidelity Security Services Proprietary Limited
Fidelity Security Group Proprietary Limited
CSG Guarding Proprietary Limited
Fidelity Cash Solutions Proprietary Limited
Fidelity Risk Proprietary Limited
Fidelity Cash Master Proprietary Limited
Secureco Proprietary Limited
Tramiclox Proprietary Limited
Byrosys Proprietary Limited
Outsource Packaging Proprietary Limited
Dispack Packing Proprietary Limited
Packsolve Proprietary Limited

1.2.4 **Nelson Mwale**

Date of appointment: 8 June 2016

Age: 55

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: National Higher Diploma in Mechanical Engineering, Diploma in Management (Henley Management College), MAP – Wits University Business School, MBA from Brunel University UK.

Experience: Nelson's work experience spans the manufacturing industries where he worked as projects engineer at Barlows Earthmoving Equipments Company, Dorbyl Structures – Technical Engineer, SAB – Packaging manager, and general project management.

Nelson is the former operations director and shareholder of Namitech the secure technology and solutions provider to key market focus areas: Mobile cell-phones, Banking, General industries and the Public sector.

Nelson has vast experience in the West and East African markets and was instrumental in setting up the Namitech West Africa operation in Nigeria. Nelson is the Chief Operations Officer for New Seasons Investments Holdings Proprietary Limited and serves on numerous boards of group companies within the New Seasons Investments Holdings portfolio. Nelson is an ardent golfer and enjoys reading extensively and goes to gym regularly.

Service contract: On 8 June 2016, Nelson entered into a service agreement with Insimbi with respect to his service to the Company as a non-executive director, he was appointed chairperson of the Remuneration Committee. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company

New Seasons Investments Holdings Proprietary Limited
SA Tool Proprietary Limited
Masslift Africa Proprietary Limited
Fidelity Security Group Proprietary Limited
Fidelity Foundation NPV
SEW Eurodrive Proprietary Limited
RMB (Structured Insurance)
Packsolve Proprietary Limited
KAT Trust

1.2.5 **Brian Craig***

Date of appointment: 1 August 2016

Age: 51

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: Bachelor of Economics (cum laude), Honours (cum laude) from the University of the Western Cape (UWC), and a MSc (Finance) from the University of Illinois.

Experience: Brian has over 25 years in the financial services industry in both the public and private sectors dealing with a diverse array of issues ranging from applied policy research, sourcing and application of development finance, facilitating foreign direct investment, corporate and merchant banking and black economic empowerment deal making. His banking career entailed senior executive positions at Absa (corporate and merchant bank – the forerunner of Absa Capital), Deutsche Bank, Commerzbank and Credit Agricole SA. He is an experienced deal-maker, with leadership roles in a number of cross-border debt and equity transactions in the Telecommunications, Power, Financial Services, Mining and Manufacturing sectors.

Service contract: On 1 August 2016, Brian entered into a service agreement with Insimbi with respect to his service to the Company as an Independent Non-executive Director and was appointed as a member to the audit and risk committee. Details of his remuneration are set out in paragraph 3 of this Appendix 3.

Term of office: Refer to Appendix 1 to Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company

Insimbi Refractory and Alloy Supplies Proprietary Limited
Redflag MSp Proprietary Limited
Great Basin Gold RSA Proprietary Limited
Black Energy Proprietary Limited

* *Independent*

1.3 Directors of major subsidiaries

1.3.1 Insimbi Alloy

The directors of Insimbi Alloy are Frederik Botha, Colin Botha, Eddie Liechti, Pieter Schutte and Dudley de Beer (alternate Seamesh Rugbur). The details of these directors are detail in 1.3.1.1 to 1.3.1.5 below.

- 1.3.1.1 Frederik Botha (refer to 1.1.2 of Appendix 3);
- 1.3.1.2 Colin Botha (refer to 1.1.3 of Appendix 3);
- 1.3.1.3 Eddie Liechti (refer to 1.1.4 of Appendix 3);
- 1.3.1.4 Pieter Schutte (refer to 1.1.1 of Appendix 3); and
- 1.3.1.5 Dudley de Beer (alternate Seamesh Rugbur outlined in 1.3.1.6)

Date of appointment: 30 June 2014

Age: 59

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: Tertiary Education- Higher National Diploma (Metallurgy) , Diploma In Business Management

Experience: Dudley de Beer has 25 years experience in various ferrous and non-ferrous foundries/ smelters as a metallurgist, works manager, technical director, general manager and he has 14 years experience with Metallurg SA as a sales manager and director.

Service contract: On 16 August 2010, Dudley entered into a service agreement with Insimbi with respect to his service to the Company as an Independent Non-Executive Director and was appointed as a member to the audit and risk committee.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Insimbi Alloy
Insimbi Manco Proprietary Limited
Polydram Proprietary Limited

- 1.3.1.6 Seamesh Rugbur (alternate for Dudley de Beer)

Date of appointment: 30 June 2014

Age: 37

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: See experience below

Experience: Prior to joining Insimbi in 2005, Seamesh worked at Hullet Aluminium (now Hulamin) and through his tenure held the position of Operations Coordinator for the Flexible Recycling Remelt. Seamesh has over 16 years of Sales/Marketing and Managerial experience and has knowledge of various commodities used in the Ferrous/ Non – Ferrous Aluminium and Foundry Industries.

Seamesh currently holds the title of Divisional Manager of the KZN Branch.

Service contract: On 29 April 2014, Seamesh entered into a revised service agreement with Insimbi Alloy Supplies a wholly owned subsidiary of Insimbi with respect to his service to the Company as an Alternative Director to Dudley de Beer.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Insimbi Alloy Supplies Proprietary Limited

1.3.2 *Insimbi Aluminium Alloys Proprietary Limited*

The directors of Insimbi Aluminium Alloys Proprietary Limited are Frederik Botha, Colin Botha, Eddie Liechti, Pieter Schutte and Shaun Green. The details of these directors are detail in 1.3.2.1 to 1.3.2.5 below.

- 1.3.2.1 Frederik Botha (refer to 1.1.2 of Appendix 3);
- 1.3.2.2 Colin Botha (refer to 1.1.3 of Appendix 3);
- 1.3.2.3 Eddie Liechti (refer to 1.1.4 of Appendix 3);
- 1.3.2.4 Pieter Schutte (refer to 1.1.1 of Appendix 3); and
- 1.3.2.5 Shaun Green

Date of appointment: 1 July 2013

Age: 37

Nationality: South African

Business address: 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa

Qualifications: BTech in Physical Metallurgy from Technikon Witwatersrand

Experience: Shaun has previously worked in sales for Heraeus Electronite and as technical manager for Dimbaza Foundries Proprietary Limited. Shaun then joined Insimbi in 2011 and sits on the Employment Equity and Occupational Health and Safety Committee.

Service contract: On 1 November 2011, Shaun entered into a revised service agreement with Insimbi Alloy Supplies a wholly owned subsidiary of Insimbi with respect to his service to the Company as an Executive Director on the Board of Insimbi Aluminium Alloys. He was appointed to other subsidiary boards, details of other directorships are set out below and was appointed as a member of the Health and Safety Committee and Employment Equity Committee.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Insimbi Aluminium Alloys Proprietary Limited
Metlite Alloys Proprietary Limited

1.3.3 *The AMR Corporate Group (after implementation of the Transactions)*

The directors of the AMR Corporate Group are Christiaan Coombs, Herman Steenkamp and Christiaan Combrink. The details of these directors are detail in 1.3.3.1 to 1.3.2.5 below.

- 1.3.3.1 Christiaan Coombs (refer to 1.1.5 of Appendix 3)
- 1.3.3.2 Herman Karel Steenkamp;

Date of appointment: 17 August 2016

Age: 46

Nationality: South African

Business address: 18 Pallet Crescent, Devland, Johannesburg, 1811, South Africa

Experience: Herman has 25 years plus experience, in the scrap metal trading industry. Herman commenced employment in this industry at a young age, from where he gained all his experience and knowledge of the industry. Herman was employed for a period, before the entities were established, in Zambia by a company trading in the scrap metal industry. Herman established his own scrap metal trading company upon his return from Zambia, through which he traded locally, in both non-ferrous as well as ferrous grades of material. During 2002, the current directors of Amalgamated Metals Recycling Proprietary Limited, established the entity, from where they expanded the group to where it is today. His focus area is the trading of non-ferrous as well as ferrous grades of materials locally.

Service contract: Herman Steenkamp's service contract with Insimbi will be finalised upon completion of the Transactions.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Amalgamated Metals Recycling Proprietary Limited
Amalgamated Metals West Rand Proprietary Limited
Amalgamated Metals Recycling SA Proprietary Limited
Spring Lights 1135 CC
Zamsaf Properities Proprietary Limited
AA Metal Recyclers Proprietary Limited
Cronimet Two Joint Venture

1.3.3.3 Christiaan Henry Combrink

Date of appointment: 17 August 2016

Age: 49

Nationality: South African

Business address: 18 Pallet Crescent, Devland, Johannesburg, 1811, South Africa

Experience: Christiaan has 30 years plus experience, in the scrap metal trading industry. Christiaan commenced employment in this industry at a young age, from where he gained all his experience and knowledge of the industry. During 2002, the current directors of Amalgamated Metals Recycling Proprietary Limited, established the entity, from where they expanded the group to where it is today. His focus area is the trading of non-ferrous as well as ferrous grades of materials locally.

Service contract: Christiaan Combrink's service contract with Insimbi will be finalised upon completion of the Transactions.

Current directorships/partnerships and directorships/partnerships in the past five years:

Company
Amalgamated Metals Recycling Proprietary Limited
Amalgamated Metals West Rand Proprietary Limited
Amalgamated Metals Recycling SA Proprietary Limited
Spring Lights 1135 CC
Zamsaf Properities Proprietary Limited
AA Metal Recyclers Proprietary Limited
Cronimet Two Joint Venture

2. DIRECTORS' INTEREST

Details of the direct and indirect beneficial interests in Insimbi Shares held by each Insimbi Director and his associates are shown below:

2.1 Directors' interest in Securities (before the Transactions) are set out below:

Shareholder	Direct		Indirect		Associates	Percentage (%)
	beneficial	Percentage (%)	beneficial	Percentage (%)		
CF Botha	32 047 000	12.33	–	–	250 000	0.10
PJ Schutte	32 197 000	12.38	–	–	312 500	0.12
F Botha	32 133 300	12.36	–	–	250 000	0.10
EP Liechti	32 047 000	12.33	–	–	250 000	0.10
	180 424 300	49.40	–	–	1 062 500	0.42

2.1.1. The directors of Insimbi's major subsidiaries, namely Insimbi Alloy and Insimbi Aluminium Alloys are as follows:

- Insimbi Alloy: Frederik Botha, Colin Botha, Eddie Liechti, Pieter Schutte, Dudley de Beer (alternate Seamesh Rugbur); and
- Insimbi Aluminium Alloys Proprietary Limited (Frederik Botha, Colin Botha, Eddie Liechti, Pieter Schutte and Shaun Green).

Additional information on the major subsidiaries of Insimbi is included in Annexure 1 of the Circular to which these Revised Listings Particulars form part.

2.2 Directors' interest in Securities (after the Transactions) are set out below:

The interests of the directors of Insimbi following the implementation of the Transactions will be as follows:

Shareholder	Direct		Indirect		Associates	Percentage (%)
	beneficial	Percentage (%)	beneficial	Percentage (%)		
CF Botha	32 047 000	12.33	–	–	250 000	0.10
PJ Schutte	32 197 000	12.38	–	–	312 500	0.12
F Botha	32 133 300	12.36	–	–	250 000	0.10
EP Liechti	32 047 000	12.33	–	–	250 000	0.10
DJ O'Connor	–	–	–	–	–	–
	180 424 300	49.40	–	–	1 062 500	0.42

3. DIRECTORS' REMUNERATION, BENEFITS AND SHARE OPTIONS

3.1 The total remuneration, benefits and fees paid or accrued as payable to the executive and non-executive Directors for the 12 months ended 29 February 2016 are shown below:

R'000	Salary	Vehicle allowance	Medical aid contribution	Pension fund contribution	13th cheque	Incentive bonus	Total
Executive							
PJ Schutte	1 856	148	55	–	155	175	2 389
F Botha	1 537	402	95	–	128	175	2 337
CF Botha	1 548	403	82	–	129	175	2 337
EP Liechti	1 749	172	95	–	146	175	2 337
	6 690	1 125	327	–	558	700	9 400
Non-executive							
DJ O'Connor*	80	–	–	–	–	–	80
GS Mahlatj**	154	–	–	–	–	–	154
LY Okeyo	176	–	–	–	–	–	176
C Shiceka***	102	–	–	–	–	–	102
	512	–	–	–	–	–	512
Total	7 202	1 125	327	–	558	700	9 912

* Retired effective 31 July 2015

** Resigned effective 31 March 2016

*** Appointed effective 7 July 2015

- 3.2 There have been no management, consulting, technical or other fees paid for the services of the Directors, whether directly or indirectly, paid to a Director other than those disclosed in paragraph 3.1 above; and
- 3.3 None of the Directors have received any commission or have been party to any gain or profit-sharing arrangements as at the Last Practicable Date.

4. REMUNERATION OF THE VENDORS AFTER IMPLEMENTATION OF THE TRANSACTIONS

- 4.1 The existing directors of the AMR Corporate Group will be paid R2.4 million (two million four hundred thousand rand) per year each, total cost to Company, from the Closing Date. This is shown in the table below:

AMR Corporate Group director	Amount per annum (in Rand)
Christiaan Combrink	2 400 000
Christiaan Coombs	2 400 000
Herman Steenkamp	2 400 000
Total	7 200 000

- 4.2 The executive Directors of the AMR Corporate Group will participate in a profit bonus pool in terms of which, if the AMR Corporate Group reports an (audited) EBITDA in excess of R55 million (fifty five million rand) for a particular financial year, which will be an amount of 6% (six percent) of EBITDA, to be allocated amongst them (noting, for the sake of completeness, that staff will participate in a bonus pool comprising an amount equal to 4% (four percent) of profit before tax).

PRINCIPAL IMMOVABLE PROPERTY OWNED AND/OR LEASED

Details of the principal immovable properties owned or leased by Insimbi and its subsidiaries as at the Last Practicable Date are set out in the table below:

Property Description	Registered owner	Value as at year end 2016 Rand
Erf 756, 0 Wadeville Extension 4	Insimbi Alloy Properties	34 145 594
Erf 856 0 Wadeville Extension 4 (consolidated erfs Erf 343, portion 1 and erf 356, portion 1)	Insimbi Alloy Properties	3 936 000
ERF 23631 Parow TYG01863000 measuring 3371 metres	Insimbi Alloy Properties	5 057 945
Section No. 1 as shown and more fully described on Sectional Plan number SS 781/2007 in the scheme known as 174 Teakwood Road in respect of the land and building or buildings situate at Wentworth, Ethekewini Municipality, of which section the floor area, according to the said sectional plan is 4782 (four thousand seven hundred and eighty two) square metres in extent	Insimbi Alloy Properties	16 292 955
Sectional title unit 1 City of Cape Town Cape road, Farm 1183, 1183, 42		
584/2007 EXTENT 2473.0000 square metres	Insimbi Alloy Properties	5 400 000
A 37,6607% share of sectional scheme "arglo" together with all exclusive rights areas and usage of common areas situated on erf 42 of 1183 Atlantis in extent: 1494 (one thousand four hundred and ninety four) square metres building area	Insimbi Alloy Properties	3 781 702
Portion 1 of erf 360 Wadeville extension 4 township registration division ir, the province of Gauteng in extent: 2800 (two thousand and eight hundred) square metres	Insimbi Alloy Properties	14 000 000
Remaining extent of erf 360 Wadeville extension 4 township registration division ir, the province of Gauteng in extent: 2800 (two thousand eight hundred) square metres	Insimbi Alloy Properties	As above
Erf 453 Meyerton ext 3 township registration division ir, the province of Gauteng in extent: 7003m ² (seven thousand and three) square metres	Insimbi Alloy Properties	2 486 800
Leased property		
Erf 8340 portion 1 Benoni extension 9	JLL Properties	n/a

APPENDIX 5

MARKET VALUE OF INSIMBI SHARES

Set out below is a table showing the aggregate volumes and values traded and highest, lowest and closing prices traded in Insimbi Shares for:

- each month over the 12 months prior to the date of issue of this Circular; and
- each day over the 30 days preceding the Last Practicable Date.

Month ended	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
2016					
October 2015	85	0	83	342 737	288 865
November 2015	84	0	70	19 651	15 649
December 2015	88	0	88	623 064	527 000
January 2016	110	86	110	711 160	688 995
February 2016	112	0	110	514 784	522 944
March 2016	130	0	128	182 298	210 785
April 2016	150	0	118	567 016	731 017
May 2016	117	0	110	527 441	552 235
June 2016	115	0	96	128 966	131 150
July 2016	114	0	112	37 925	42 432
August 2016	114	0	90	1 299 750	1 312 228
September 2016	110	91	105	1 819 652	1 918 403

Day ended	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
20 September 2016	110	104	108	315 834	342 738
21 September 2016	109	102	102	147 886	157 311
22 September 2016	109	103	106	146 000	153 330
23 September 2016	109	106	109	50 430	53 903
26 September 2016	109	100	109	28 800	29 552
27 September 2016	109	100	109	21 648	23 112
28 September 2016	109	106	106	87 000	94 457
29 September 2016	109	108	109	107 356	116 780
30 September 2016	110	105	105	127 500	137 037
3 October 2016	108	96	102	42 270	41 893
4 October 2016	115	103	103	169 043	186 584
5 October 2016	104	103	104	32 788	33 824
6 October 2016	104	104	104	24 712	25 700
7 October 2016	115	105	115	15 035	16 690
10 October 2016	114	114	114	5 259	5 995
11 October 2016	111	111	111	15 547	17 257
12 October 2016	111	104	110	14 000	14 920
13 October 2016	110	110	110	3 000	3 300
14 October 2016	110	104	110	11 837	12 420
17 October 2016	111	102	111	26 980	29 354
18 October 2016	110	110	110	2 202	2 422
19 October 2016	110	101	110	23 619	24 498
20 October 2016	110	101	110	69 377	74 436
21 October 2016	111	110	110	41 671	45 938
24 October 2016	110	105	105	67 202	70 922
25 October 2016	105	101	101	1 211	1 239
26 October 2016	105	105	105	15 205	15 965
27 October 2016	105	101	105	10 973	11 408
28 October 2016	110	105	110	104 100	109 322
31 October 2016	110	100	110	768	837

Source: INET BFA

CORPORATE GOVERNANCE – 2016 KING III ASSESSMENT REPORT

The Board is of the opinion that the Directors have applied all the principles of the King III Report for the 2016 financial year ended 29 February 2016. The following assessment shows the Company's application of the 75 corporate governance principles in the King III Report:

Key	Status
√	Applied
★	Needs improvement
#	Does not apply

1. Ethical leadership and corporate citizenship			Commentary
1.1	√	The Board should provide effective leadership based on an ethical foundation	As set out in the Company's 2016 Integrated Annual Report, Insimbi's Code of Ethics defines the vision and mission of how Insimbi plans to achieve excellence in this area and the impact it has, not just on the realisation of its long-term vision, but also on the day-to-day actions it takes ensuring leadership based on an ethical foundation.
1.2	√	The Board should ensure that the Company is and is seen to be a responsible corporate citizen	The Company's 2016 Integrated Annual Report, indicates its commitment to empowerment and transformation initiatives through its Employee Share Option Plan ("ESOP"), employment equity and training committee ensuring diversity across the Group and its general focus on the skills development of its employees. The Company also strives to be a transparent corporate citizen through stakeholder engagement wherein stakeholders are encouraged to attend the annual general meeting and to interact with the Directors.
1.3	√	The Board should ensure that the Company's ethics are managed effectively	Through the Code of Ethics, the Board is responsible for ensuring that the Company protects, enhances and contributes to the wellbeing of the economy, society and natural environment. The Social and Ethics Committee assists the Board in updating and implementing the Company's Code of Ethics.

2. The Board and Directors			Commentary
2.1	√	The Board should act as the focal point for and custodian of corporate governance	The Board encourages a focus of good governance and bases all of its decisions and actions on the business judgment rule principles that underpin good governance, being responsibility, accountability, fairness and transparency.
2.2	√	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	The Board oversees the strategy, acquisition and disinvestment policy, risk management, financing and corporate governance policies of the Company. The Board is also responsible for ensuring that controls and procedures are in place to ensure the accuracy and integrity of the Company's accounting records.
2.3	√	The Board should provide effective leadership based on an ethical foundation	Refer to Principle 1.1 above.
2.4	√	The Board should ensure that the Company is a responsible corporate citizen	Refer to Principle 1.2 above.
2.5	√	The Board should ensure that the Company's ethics are managed effectively	Refer to Principle 1.3 above.

2. The Board and Directors			Commentary
2.6	√	The Board should ensure that the Company has an effective and independent audit committee	The Audit and Risk Committee consists of four members of which are three independent non-executive Directors and one non-executive director. The chairperson of the board is a member of this committee. It was established to assist the Board in discharging its duties relating to the safeguarding of assets, the operation systems, control processes and the preparation of accurate financial reporting and statements in compliance with all legal requirements and accounting standards. The committee does not perform any management functions or assume any management responsibilities but provides a forum for discussing business risk and control issues for developing relevant recommendations for consideration by the Board.
2.7	√	The Board should be responsible for the governance of risk	The Board oversees the strategy, acquisition and disinvestment policy, risk management, financing and corporate governance policies of the Company. Furthermore, the Audit and Risk Committee was established to assist the Board in discharging its duties relating to the safeguarding of assets, the operation systems, control processes and the preparation of accurate financial reporting and statements in compliance with all legal requirements and accounting standards.
2.8	★	The Board should be responsible for information technology ("IT") governance	This has been delegated to management.
2.9	√	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	The Social and Ethics Committee has an independent role and is governed by a formal charter approved by the Board. The committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practices relating to ethics and code of conduct compliance, socio-economic development, health and safety, empowerment and transformation, labour/employment, stakeholder engagement and corporate citizenship.
2.10	#	The Board should ensure that there is an effective risk-based internal audit	Refer to Principle 2.13 and 3.7
2.11	√	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	The Board strives to present a balanced and understandable assessment of the Group's position, addressing material matters of significant interest and concern to stakeholders while appreciating the fact that stakeholders' perceptions affect the Company's reputation. In addition to this, the Board ensures that it acts in the best interests of the Company and its stakeholders.
2.12	√	The Board should ensure the integrity of the Company's integrated report	The Board is responsible for ensuring that controls and procedures are in place to ensure the accuracy and integrity of the Company's accounting records.
2.13	★	The Board should report on the effectiveness of the Company's system of internal controls	The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. The Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner and are of the opinion that the system of internal controls provides reasonable assurance that the financial records may be relied upon for the preparation of the annual financial statements.
2.14	√	The Board and its Directors should act in the best interest of the Company	The Board ensures that it acts in the best interests of the Company and its stakeholders. Furthermore, each Director acts with independence of mind in the best interests of the Company and its stakeholders.

2. The Board and Directors			Commentary
2.15	√	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined by the Companies Act	The Board is aware of the requirements of the Companies Act regarding business rescue. The Board also oversees the risk management policies of the Company.
2.16	√	The Board should elect a chairman of the Board who is an independent non-executive director. The chief executive officer should not fulfill the role of the chairman of the Board	The roles of the chairman and chief executive officer are separated. The chairman of the Board is an independent non-executive Director of the Company.
2.17	√	The Board should appoint the chief executive officer and establish a framework for the delegation of authority	The chief executive officer is appointed by the Board. Furthermore, The Board, defines levels of materiality, reserving specific powers for itself and delegating other matters with the necessary authority to management and board committees within a clearly defined framework.
2.18	√	The Board should comprise a balance of power, with a majority of non-executive directors being independent	The Board has nine Directors, comprising five non-executive Directors and four executive Directors. Three non-executive Directors are independent and two are not independent.
2.19	√	Directors should be appointed through a formal process	Any new appointments of a Director are considered by the Board as a whole, on the recommendation of the Remuneration and Nominations Committee. Newly appointed Directors are required to attend the Directors Induction Course within two months after their appointment. The Board as at the year ended 29 February 2016 received and attended presentations and discussion on legislative changes during the year under review. This is in line with the Company's policy wherein Directors and management are encouraged to stay abreast of changes in the legislative environment as well as the marketplace.
2.20	√	The induction of an ongoing training and development of directors should be conducted through formal processes	Newly appointed Directors are required to attend the Directors Induction Course within two months after their appointment.
2.21	√	The Board should be assisted by a competent, suitably qualified company secretary	The Board has assessed the competence, qualifications and experience of the company secretary, as required in terms of section 3.84 of the Listings Requirements and has agreed that she is sufficiently qualified, competent and experienced to hold the position of the Group company secretary.
2.22	√	The evaluation of the Board, its committees and the individual directors should be performed every year	The evaluation of the Board, its committees and the individual Directors are performed every second year.
2.23	√	The Board should delegate certain functions to well-structure committees but without abdicating its own responsibilities	The Board, defines levels of materiality, reserving specific powers for itself and delegating other matters with the necessary authority to management and board committees within a clearly defined framework.
2.24	★	A governance framework, including strategic objectives of the policy, should be agreed between the Group and its subsidiary Boards	To date the appointment of subsidiary directors were approved by EXCO, however this function has been delegated to the Nominations and Remuneration committee since the formalization of the committee charter.

2. The Board and Directors			Commentary
	√	Companies should remunerate directors and executives fairly and responsibly	The Group's remuneration philosophy strives to reward employees in a fair and responsible way and to ensure a culture of high performance through employees who are motivated, engaged and committed while achieving a balance between shareholder interests and appropriate remuneration packages. Non-executive directors receive a fixed fee for service on the board and board committees. Non-executive directors do not receive incentive bonuses. The fee payable to the Chairman and non-executive directors is recommended by the Remuneration and Nominations Committee to the board. Details of the Directors' remuneration for the year ended 29 February 2016 are detailed in Appendix 3 of these Revised Listing Particulars.
2.26	√	Companies should disclose the remuneration of each individual director and certain senior executives	The remuneration of the Directors and prescribed officers are disclosed in the Company's Integrated Annual Report for the year ended 29 February 2016. The remuneration of the Company's Directors are disclosed in Appendix 3 of these Revised Listing Particulars.
2.27	√	Shareholders should approve the Company's remuneration policy	The Company's remuneration philosophy and policy (excluding the remuneration of non-executive Directors and members of committees of the Board for their services as Directors and members of such committees), approved by the Board on recommendation by the Remuneration Committee is tabled for a non-binding advisory vote at each Annual General Meeting of shareholders.

3. Audit and risk committee			Commentary
3.1	√	The Board should ensure that the Company has an effective and independent audit committee comprising at least three members	The Audit and Risk Committee consists of three independent non-executive Directors. Under the Audit and Risk Committee's supervision and with management, the Board seeks to identify the Group's key risk areas and key performance indicators and updates and reviews them regularly.
3.2	√	Audit committee members should be suitably skilled and experienced independent non-executive directors	As at the year ended 29 February 2016, the Audit and Risk Committee satisfied itself that its members have the required knowledge and experience as set out in section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations, 2011.
3.3	√	The audit committee should be chaired by an independent non-executive director	The Audit and Risk Committee is chaired by an independent non-executive Director who is suitably qualified.
3.4	√	The audit committee should oversee integrated reporting	The Audit and Risk Committee oversee and report on the integrated reporting processes. For the year ended 29 February 2016, the Audit and Risk Committee has satisfied its responsibilities for the year in compliance with its terms of reference, which functions are included in the Integrated Annual Report for the year ended 29 February 2016.
3.5	√	The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities	The Audit and Risk Committee ensures that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.
3.6	√	The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function	Annually, the Audit and Risk Committee evaluates the expertise and experience of the Financial Director. The Audit and Risk Committee discloses its satisfaction with the expertise and experience of the Financial Director annually in the Integrated Annual Report.

3. Audit and risk committee			Commentary
3.7	√	The audit committee should be responsible for overseeing the internal audit	The Board delegated this function to management. Management completed a financial and internal control combined assurance effectiveness assessment and provided a written report to the Audit and Risk Committee. The Audit and Risk Committee has satisfied itself that the Company's internal controls are designed to provide reasonable assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets.
3.8	√	The audit committee should be an integral component of the risk management process	The Board delegated the risk management processes to the Audit and Risk Committee in order to assist the Board in carrying out its risk responsibilities.
3.9	√	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	The Audit and Risk Committee oversees the external audit process and has satisfied itself with the external auditor and overseeing of the external audit process.
3.10	√	The audit committee should report to the Board and shareholders on how it has discharged its duties	The Audit and Risk Committee reports to the Board at each Board meeting. A report to Insimbi shareholders on how the Committee discharged its duties is included in the Report of the Audit and Risk Committee in the Integrated Annual Report.

5. The governance of risk			Commentary
4.1	√	The Board should be responsible for the governance of risk	The Board ensures the maintenance of a strong control environment. Furthermore, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner.
4.2	√	The Board should determine the levels of risk tolerance	The Company's philosophy generally has been risk averse and relatively conservative in the way it conducts its business and to a large extent, the Company has engaged in back-to-back trading. This means that it only executes trades when a firm and unqualified offer from a seller is matched with an order from an identified willing buyer. With this process in place, the Company eliminates the speculative activity of warehousing, commodity price risk and foreign exchange fluctuations associated with the trade in its range of commodities, before suitable buyers have been identified.
4.3	√	The risk committee or audit committee should assist the Board in carrying out its risk responsibilities	The Board delegated the risk management processes to the Audit and Risk Committee in order to assist the Board in carrying out its risk responsibilities.
4.4	√	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	The Board has delegated the risk management processes to the Audit and Risk Committee.
4.5	√	The Board should ensure that risk assessments are performed on a continual basis	The Board has delegated this function to management who are conducting risk assessments on a project by project basis as well as an annual basis.
4.6	√	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredicted risks	Management review and rank the risks on a quarterly basis. The top 10 risk on the register are then reported to the Audit and Risk Committee.

5. The governance of risk			Commentary
4.7	√	The Board should ensure that management considers and implements appropriate risk responses	The Board sets standards and for internal control aimed reducing the risk of error or loss. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.
4.8	√	The Board should ensure continuous risk monitoring by management	The Board has tasked management to conduct a quarterly risk review process whereby risks are reviewed and rated with the main focus on the top 10 risks facing company. Procedures to mitigate or eliminate risks are also considered during these sessions.
4.9	√	The Board should receive assurance regarding the effectiveness of the risk management process	Management provides a report to the Audit and Risk committee on a quarterly basis highlighting the top 10 risks.
4.10	√	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosures to stakeholders	Refer to principle 4.8 and 4.9.

6. The governance of Information Technology ("IT")			Commentary
5.1	★	The Board should be responsible for IT	The board acknowledges their responsibility in IT governance and has commenced with a process with management assistance to review and update the various IT policies and procedures.
5.2	★	IT should be aligned with the performance and sustainability objectives of the Company	The IT strategy has been aligned with the objectives of the Company, the next phase would be to implement new and updated IT systems. The board has requested management to provide the necessary assistance and training to employees.
5.3	√	The Board should delegate to management the responsibility for the implementation of an IT governance framework	Refer to 5.2, the Company does not have a dedicated CIO, this function is currently fulfilled by management.
5.4	√	The Board should monitor and evaluate significant IT investments and expenditure	Capital investment and expenditure are dealt with in accordance to the Delegation of Authority. Previously all spending was approved by EXCO, since the update of Delegation of Authority regarding significant expenditure are being monitored and approved by the Board.
5.5	★	IT should form an integral part of the Company's risk management	The board acknowledges the importance of risk management of IT, Various policies and procedures have been implemented however it should be formalised and documented.
5.6	★	The Board should ensure that information assets are managed effectively	The Board delegated this task to the IT manager who reports back to the board on any breaches.
5.7	√	A risk committee and audit committee should assist the Board in carrying out its IT responsibilities	Information technology relates to financial reporting and this functionality contributes to the status of the Group as a going concern. For the year under review the committee assisted the Board in measuring and understanding the Company's overall exposure to information technology risks. The risks regarding the security, back-up, conversion and update of the information technology systems are continually addressed.

6. Compliance with laws, rules, codes and standards			Commentary
6.1	√	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	The Social and Ethics Committee has an independent role and is governed by a formal charter approved by the Board. The committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practices relating to ethics and code of conduct compliance, socio-economic development, health and safety, empowerment and transformation, labour/employment, stakeholder engagement and corporate citizenship.
6.2	√	The Board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business	The Social and Ethics Committee has an independent role and is governed by a formal charter approved by the Board. The committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practices relating to ethics and code of conduct compliance, socio-economic development, health and safety, empowerment and transformation, labour/employment, stakeholder engagement and corporate citizenship.
6.3	√	Compliance should form an integral part of the Company's risk management process	The Board acknowledges that compliance is compulsory and has delegated the compliance confirmation to the Audit and Risk Committee, who has included this in the risk review process.
6.4	√	The Board should delegate to management the implementation of an effective compliance framework and processes	The Group Company Secretary oversees the compliance framework and implementation thereof.

7. Internal audit			Commentary
7.1	#	The Board should ensure that there is an effective risk-based internal audit	The Board acknowledges this Principle 7.1 of King III. It has delegated this function to management. Management completed a financial and internal control combined assurance effectiveness assessment and provided a written report to the Audit and Risk Committee. The Audit and Risk Committee has satisfied itself that the Company's internal controls are designed to provide reasonable assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets.
7.2	#	Internal audit should follow a risk based approach to its plan	The Board has delegated this function to Management although the group does not have a formally appointed internal audit function, management has been taking a risk based approach on this function.
7.3	#	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management	Management completed a financial and internal control combined assurance effectiveness assessment and provided a written report to the Audit and Risk Committee on the effectiveness of the Company's system of internal controls and risk management.
7.4	√	The audit committee should be responsible for overseeing the internal audit	The Audit and Risk Committee oversees management's responsibility in respect of fulfilling the internal audit function.
7.5	#	Internal audit should be strategically positioned to achieve its objectives	The Audit and Risk Committee is strategically positioned to achieve the Group's objectives.

8. Governing stakeholder relationships			Commentary
8.1	√	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	Refer to Principle 2.11 above.
8.2	√	The Board should delegate to management to proactively deal with stakeholder relationships	The Board takes cognisance of this Principle and will delegate to management the responsibility to formalise strategies and policies to enhance stakeholder relations with the Company.
8.3	√	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company	Through the Company's implementation of the ESOP, management expressed their commitment towards, transformation, succession planning and staff retention. Further to this, the Company's marketing teams have been engaging with its clients on an ongoing basis. In addition to this, the procurement team also undertakes to enhance relationships with suppliers. The overall process of engaging with stakeholders remains an ongoing and organic process for the Company.
8.4	√	Companies should ensure the equitable treatment of shareholders	Insimbi ensures the equitable treatment of shareholders by contributing towards open, transparent and fair governance adhering to all governing legislation.
8.5	√	Transparent and effective communications with stakeholders is essential for building and maintaining their trust and confidence	The Company ensures open, transparent and fair governance while sourcing material ethically, treating suppliers, customers and citizens fairly in respect of all governing legislation.. The board strives to present a balanced and understandable assessment of the Group's position, addressing material matters of significant interest and concern to stakeholders.
8.6	√	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	Insimbi's Code of Ethics defines a set of values and a behavioural code of conduct which requires its staff to display integrity, mutual respect and openness, and to afford them the right and obligation to challenge others who are not adhering to these values.

9. Integrated reporting and disclosure			Commentary
9.1	√	The Board should ensure the integrity of the Company's integrated report	The board, in terms of the Companies Act, maintain adequate accounting records and acknowledges its responsibility for the content and integrity of the annual financial statements as set out in the Company's integrated report.
9.2	√	Sustainable reporting and disclosure should be integrated with the Company's financial reporting	The board with assistance of the various sub-committees and financial team has been reporting to share and stakeholders on matters of going concern and sustainability for the past 8 years.
9.3	√	Sustainability reporting and disclosure should be independently assured	The board has delegated this function to the Audit and Risk Committee. This committee annually review the integrated report and sign off on the assurance of the integrity of the integrated report.

Notes:

1. Details of the Company's corporate governance are outlined in paragraph 32 of the Revised Listing Particulars.
2. The Board takes responsibility for the Internal Audit and IT functions.
 - 2.1 To date the Internal Audit function has been overseen by management and they have been reporting to the Audit and Risk Committee on internal processes on a regular basis. The implementation of an internal audit function has been raised and will be addressed during the 2017 financial year.
 - 2.2 The IT policy and governance framework will be completed and linked to company strategy.



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2002/029821/06

JSE Share Code: ISB

ISIN Code: ZAE000116828

("Insimbi or "the Company")

NOTICE OF GENERAL MEETING

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that a General Meeting of shareholders of the Company will be held at 14:00 on Monday, 5 December 2016 at the registered office of Insimbi, 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa, to consider, and if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out hereunder.

The Board has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the General Meeting is Friday, 25 November 2016. Accordingly, the last day to trade in Insimbi Shares in order to be recorded in the Company's securities register to be entitled to vote will be Tuesday, 22 November 2016.

SPECIAL RESOLUTION NUMBER 1 – DIRECTORS' AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(3) OF THE COMPANIES ACT

"RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1 and 2 as well as Special Resolution 1 and 2, in terms of sections 41(3) of the Companies Act, the Directors be and are hereby given the authority to issue Insimbi Shares forming a part of the authorised, but unissued ordinary share capital of the Company to a maximum of 150 000 000 Insimbi Shares. The issue of the maximum number of Insimbi Shares will therefore constitute more than 30% of the voting rights of the current issued share capital of the Company."

Explanatory note

In terms of the Companies Act, Special Resolution Number 1 requires the approval of a 75% (seventy five percent) majority of the votes cast in favour thereof by all shareholders present or represented by proxy at the General Meeting, excluding any parties and their associates participating in the Agreement.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE SPECIFIC REPURCHASE

"RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1 and 2 as well as Special Resolution Number 1, as a specific authority, the repurchase and cancellation by Insimbi of up to 50 000 000 ordinary par value shares of R0.000025 each in Insimbi in accordance with the terms explained in paragraph 10.3.2 of the Circular, be and is hereby approved."

Explanatory note

In terms of the Listings Requirements read with the Companies Act, Special Resolution Number 2 requires the approval of a 75% (seventy five percent) majority of the votes cast in favour thereof by all shareholders present or represented by proxy at the General Meeting.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE TRANSACTIONS

"RESOLVED THAT, subject to the passing of Special Resolutions 1 and 2 as well as Ordinary Resolution Number 2, the Transactions, funded by way of the Insimbi Fundraising on the terms and conditions set out in the Circular of which this notice forms part, be and is hereby approved."

Explanatory note

Ordinary resolution number 1 will, in terms of the Companies Act and the Listings Requirements, require the support of at least 50% of the voting rights exercised thereon at the General Meeting by Insimbi Shareholders present in person or represented by proxy, to be approved.

ORDINARY RESOLUTION NUMBER 2 – AUTHORISATION OF DIRECTORS

“RESOLVED THAT, the Board be and is hereby authorised to do all things and sign all documents required to give effect to and implement Ordinary Resolution Number 1 and Special Resolution Number 1 and 2.”

Explanatory note

Ordinary resolution number 2 will, in terms of the Companies Act and the Listings Requirements, require the support of at least 50% of the voting rights exercised thereon at the General Meeting by Insimbi shareholders present in person or represented by proxy, to be approved.

VOTING AND PROXIES

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. For the convenience of registered shareholders of the Company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those shareholders who:

- hold Insimbi Shares in certificated form; or
- are recorded on the electronic sub-register in “own name” dematerialised form.

Shareholders who hold dematerialised shares which are registered in their name or if they are the registered holder of certificated shares may attend the General Meeting in person, alternatively, they may appoint a proxy or proxies, who need not be a shareholder of the Company to represent them at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains. Forms of proxy should be forwarded to reach the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa (with their new address being effective on 28 November 2016, refer to the “Corporate Information and Advisors” section to the Circular for the details) (P.O. Box 61051, Marshalltown, 2107) at least 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the General Meeting. Any form of proxy not delivered by this time may be handed to the chairperson of the General Meeting immediately before the appointed proxy exercises any of the shareholder’s votes at the General Meeting.

Meeting participants, which include proxies, are required in terms of section 63(1) of the Companies Act to provide identification reasonably satisfactory to the Chairperson of the General Meeting before being entitled to attend, participate in or vote a shareholders’ meeting. The Company will regard the presentation of participants’ original driver’s licences, identity documents or passports to be satisfactory “identification”.

By order of the Board

Company Secretary

Kristell Holtzhausen

Registered office

359 Crocker Road
Wadeville
Extension 4
Germiston
Johannesburg
(P.O. Box 14676, Wadeville, Germiston 1422)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(P.O. Box 61051, Marshalltown, 2107)



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED
 (Incorporated in the Republic of South Africa)
 Registration number 2002/029821/06
 JSE Share Code: ISB
 ISIN Code: ZAE000116828
 ("Insimbi or "the Company")

FORM OF PROXY

For use only by shareholders who:

- hold shares in certificated form ("certificated shareholders"); or
- have dematerialised their shares ("dematerialised shareholders") and are registered with "own-name" registration.

at the General Meeting of shareholders of the Company to be held at 14:00 on Monday, 5 December 2016 at the registered office of Insimbi, 359 Crocker Road, Wadeville, Extension 4, Germiston, South Africa. Dematerialised shareholders holding shares other than with "own-name" registration, who wish to attend the General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the General Meeting in person or by proxy and vote. If they do not wish to attend the General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use this form of proxy.

I/We _____
 (full name/s in block letters)

of (address) _____

Telephone work () _____ Telephone home () _____

Cell phone number _____ Email address _____

being the holder/custodian of shares of the Company, hereby appoint (see note): _____

1. _____ or

failing him/her,

2. _____ or

failing him/her,

3. The Chairperson of the General Meeting

as my/our proxy to attend and act for me/us on my/our behalf at the General Meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the shares registered in my/our name in accordance with the following instructions:

	For	Against	Abstain
Special Resolution Number 1 Approval to issue Insimbi Shares in terms of section 41(3) of the Companies Act			
Special Resolution Number 2 Approval of the specific repurchase and cancellation			
Ordinary Resolution Number 1 Approval of the Transactions			
Ordinary Resolution Number 2 Authorisation of Directors			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

Signed at _____ on _____ 2016

Signature _____

Assisted by (where applicable) _____

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the General Meeting.

Notes

1. THE FORM OF SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT.

In terms of section 58 of the Companies Act:

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such shareholder;
 - a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
 - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
 - irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
 - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company; and
 - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 7).
2. The form of proxy must only be used by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
 3. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
 4. A shareholder entitled to attend and vote at the General Meeting may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the General Meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
 5. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
 6. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the Company's transfer secretaries, Computershare Investor Services Proprietary Limited ("transfer secretaries"), not less than 48 (forty eight) hours before the commencement of the General Meeting.
 7. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
 8. The Chairperson of the General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
 9. A shareholder's authorisation to the proxy including the Chairperson of the General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the General Meeting.
 10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
 11. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or is waived by the Chairperson of the General Meeting.
 12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries.
 13. Where there are joint holders of shares:
 - any one holder may sign the form of proxy; and
 - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
 14. Forms of proxy should be lodged with or mailed to the transfer secretaries:

Hand deliveries to: Computershare Investor Services Proprietary Limited Current address Ground Floor 70 Marshall Street Johannesburg, 2001 South Africa	New address (effective 28 November 2016) Rosebank Towers Biermann Avenue Rosebank, 2196 Johannesburg	Postal deliveries to: Computershare Investor Services Proprietary Limited P.O. Box 61051 Marshalltown 2107
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 - to be received by no later than 14:00 on Thursday, 1 December 2016 (or 48 (forty-eight) hours before any adjournment of the General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of the JSE) or may be handed to the Chairperson of the meeting immediately before the appointed proxy exercises any of the shareholder's votes at the General Meeting.
 15. A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.

