

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* throughout this Circular.

### ACTION REQUIRED

1. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
2. Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to the section titled "Action required by Shareholders" commencing on page 4 of this Circular.
3. If you have disposed of all of your Shares, please forward this Circular and the attached Form of Proxy (grey) to the purchaser of such Shares or to the CSDP, Broker, banker, attorney, accountant or other professional advisor through whom the disposal was effected.

**Insimbi does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Shareholder to notify such Shareholder of the General Meeting, or any business to be conducted thereat.**



Insimbi Industrial Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2002/029821/06)  
Share code: ISB  
ISIN: ZAE000116828  
("Insimbi" or "the Company")

## CIRCULAR TO INSIMBI SHAREHOLDERS

regarding:

- **the Specific Repurchase by Insimbi of the Specific Repurchase Shares from the Vendors at a repurchase consideration of R0,08125 per Specific Repurchase Share amounting to an aggregate repurchase consideration of R150 000.**

and incorporating:

- **a notice convening the General Meeting of Shareholders; and**
- **a Form of Proxy (grey) for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-Name Registration only.**

Sponsor and Transaction Advisor



Legal Advisor



Falcon and Hume Attorneys Inc.

Reporting Accountants



Moore

**Date of issue:** Thursday, 6 May 2021

Copies of this Circular, which are available in English only, may be obtained during normal business hours from Thursday, 6 May 2021 up to and including Friday, 4 June 2021 from the registered offices of the Company and the offices of PSG Capital at their respective addresses set out in the "Corporate Information" section of this Circular. A copy of this Circular will also be available on the Company's website [www.insimbi-group.co.za](http://www.insimbi-group.co.za).

## CORPORATE INFORMATION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

### DIRECTORS

R Dickerson (Chairman) \*\*  
F Botha (Chief Executive Officer)  
N Winde (Financial Director)  
C Coombs  
I Mogotlane \*  
N Mwale \*  
C Ntshingila \*\*

\* Non-executive \* Independent

### DATE OF INCORPORATION OF INSIMBI

5 November 2002

### PLACE OF INCORPORATION

Republic of South Africa

### COMPANY SECRETARY AND REGISTERED ADDRESS

Matseliso Madhlophe

359 Crocker Road  
Wadeville, Extension 4  
Germiston  
1407  
Gauteng

### LEGAL ADVISORS

Falcon & Hume Attorneys Inc  
2<sup>nd</sup> Floor, 8 Melville Road  
Illovo  
(PO Box 55523, Northlands, 2116)

### SPONSOR AND TRANSACTION ADVISOR

PSG Capital Proprietary Limited  
(Registration number 2006/015817/07)  
1<sup>st</sup> Floor, Ou Kollege  
35 Kerk Street  
Stellenbosch, 7600  
(PO Box 7403, Stellenbosch 7599)

and

2<sup>nd</sup> Floor  
Building 3  
11 Alice Lane  
Sandhurst  
Sandton, 2196  
(PO Box 650957, Benmore, 2010)

### TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Ave  
Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

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## ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

This entire Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what action to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Shares, please forward this Circular and the attached Form of Proxy (grey) to the purchaser of such Shares or to the CSDP, Broker, banker, attorney, accountant or other professional advisor through whom the disposal was effected.

The General Meeting will be held at the offices of the Company at 359 Crocker Road, Wadeville, Extension 4, Germiston on Friday, 4 June 2021 at 10:00 for purposes of considering and, if deemed fit, passing the special resolution required to authorise the implementation of the Specific Repurchase. The Notice of General Meeting is attached to and forms part of this Circular.

### 1. DEMATERIALIZED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALIZED SHAREHOLDERS

#### 1.1. Voting at the General Meeting

- 1.1.1. Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.1.2. If you have not been contacted by your Broker or CSDP, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.1.3. If your Broker or CSDP 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 Broker or CSDP.
- 1.1.4. You must **not** complete the attached Form of Proxy.

#### 1.2. Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to attend the General Meeting and if so, your Broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.

### 2. CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALIZED SHAREHOLDERS

#### 2.1. Voting and attendance at the General Meeting

- 2.1.1. You are entitled to attend the General Meeting in person and speak, vote or abstain from voting at the General Meeting.
- 2.1.2. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions contained therein and returning it to the Transfer Secretaries, to be received by them preferably by no later than 10:00 on Wednesday, 2 June 2021, or thereafter by handing such form to the chairperson of the General Meeting at the General Meeting (should you lodge your form of proxy with the Transfer Secretaries less than 48 hours before the General Meeting, you will be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of your rights at the General Meeting).

### 3. GENERAL

#### Approval necessary for the implementation of the Specific Repurchase at the General Meeting

The implementation of the Specific Repurchase is subject, inter alia, to the approval of Shareholders by special resolution at the General Meeting in accordance with the JSE Listings Requirements. In order to be approved, the special resolution must be adopted with the support of at least 75% of the voting rights exercised on such resolution, at the General Meeting. The Vendors and their associates will be excluded from voting on the special resolution to approve the Specific Repurchase.

## SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

2021

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Record date to determine which Shareholders are eligible to receive this Circular (including the Notice of General Meeting) on	Friday, 30 April
Circular posted to Shareholders (including the Notice of General Meeting) on	Thursday, 6 May
Last day to trade in Insimbi Shares in order to be eligible to attend, participate in and vote at the General Meeting on	Tuesday, 25 May
General Meeting Record Date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting on	Friday, 28 May
For administrative reasons, Forms of Proxy in respect of the General Meeting to be lodged with Transfer Secretaries by no later than 10:00 on	Wednesday, 2 June
Forms of Proxy not lodged timeously with the Transfer Secretaries, to be handed to the chairperson of the General Meeting before the appointed proxy exercises the Shareholder's rights at the General Meeting on	Friday, 4 June
General Meeting of Shareholders to be held at 10:00 on	Friday, 4 June
Results of General Meeting released on SENS on or about	Friday, 4 June
<b>If the Specific Repurchase is approved by Shareholders at the General Meeting:</b>	
Expected date for the delisting from the JSE of the Specific Repurchase Shares from the commencement of trading on the JSE on	Wednesday, 9 June

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### Notes:

1. All of the above dates and times are subject to change. Any changes made will be notified to Shareholders by release on SENS.
2. Shareholders should note that, as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades take place three Business Days after such trade. Therefore, persons who acquire Shares after the last day to trade in order to be eligible to vote at the General Meeting, namely Friday, 4 June 2021, will not be able to vote thereat.
3. A Shareholder may submit the Form of Proxy at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or hand it to the chairperson of the General Meeting before the General Meeting (or any adjournment of the General Meeting), provided that, should a Shareholder lodge the Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, a Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
4. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement.
5. All times given in this Circular are local times in South Africa.

## DEFINITIONS AND INTERPRETATIONS

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

<b>"AMR"</b>	Amalgamated Metals Recycling Proprietary Limited, a private limited liability company incorporated in accordance with the laws of South Africa with registration number 2010/012638/07, a wholly-owned subsidiary of Insimbi,
<b>"Board" or "Directors"</b>	the board of directors of Insimbi, whose names appear in the <i>"Corporate Information"</i> section of this Circular;
<b>"Broker"</b>	a "stockbroker" as defined in the Financial Markets Act, or its nominee;
<b>"Business Day"</b>	any day, other than a Saturday, Sunday or public holiday in South Africa;
<b>"Certificated Shareholders"</b>	holders of Certificated Shares;
<b>"Certificated Shares"</b>	Shares being "certificated securities" as defined in the Financial Markets Act and having accordingly not yet been Dematerialised, title to which is evidenced by Documents of Title;
<b>"Circular"</b>	this bound document dated Thursday 6 May 2021, incorporating the Notice of General Meeting and Form of Proxy;
<b>"Common Monetary Area"</b>	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
<b>"Companies Act"</b>	the Companies Act, No. 71 of 2008, as amended;
<b>"Company Secretary"</b>	the company secretary of Insimbi as appointed in terms of the Companies Act from time to time;
<b>"CSDP"</b>	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised share account;
<b>"Custody Agreement"</b>	a custody mandate agreement between a Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Insimbi's uncertificated securities register administered by a CSDP or Broker on behalf of such Shareholder;
<b>"Dematerialise" or "Dematerialisation"</b>	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in Insimbi's uncertificated securities register administered by a CSDP;
<b>"Dematerialised Shareholders"</b>	Shareholders who hold Dematerialised Shares;
<b>"Dematerialised Shares"</b>	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
<b>"Documents of Title"</b>	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
<b>"Ella Rose"</b>	Ella Rose Property and Investments Proprietary Limited, a private limited liability company incorporated in accordance with the laws of South Africa with registration number 2008/015090/07, the ultimate beneficial shareholders are not related parties to Insimbi or its subsidiaries in terms of section 10 of the JSE Listings Requirements;
<b>"Financial Markets Act"</b>	the Financial Markets Act, No. 19 of 2012, as amended;
<b>"Form of Proxy"</b>	for purposes of the General Meeting, the form of proxy (grey) for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only;
<b>"General Meeting"</b>	the general meeting of Shareholders to be held at offices of the Company at 359 Crocker Road, Wadeville, Extension 4, Germiston on Friday, 4 June 2021 at 10:00, convened in terms of the Notice of General Meeting, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;
<b>"General Meeting Record Date"</b>	in terms of section 59(1)(b) of the Companies Act, the date determined by the Directors as being the date by which a Shareholder is required to be recorded as such in the Register in order to be eligible to attend, participate in and to vote at the General Meeting, being Friday, 28 May 2021;

## DEFINITIONS AND INTERPRETATIONS

<b>“Group Wreck”</b>	Group Wreck International Non-ferrous Proprietary Limited, a private limited liability company incorporated in accordance with the laws of South Africa with registration number 2009/017298/07, a 90% owned subsidiary of Insimbi,
<b>“GW Share Repurchase”</b>	the repurchase by Group Wreck of 340 Group Wreck ordinary shares, representing 10%, from the Vendors resulting in Group Wreck becoming a wholly owned subsidiary of Insimbi Group for R350 000;
<b>“Group” or “Insimbi Group”</b>	Insimbi and its Subsidiaries;
<b>“Insimbi” or the “Company”</b>	Insimbi Industrial Holdings Limited (Registration number 2002/029821/06), a public company incorporated under the laws of South Africa, the issued ordinary share capital of which is listed on the Main Board of the JSE;
<b>“JSE”</b>	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
<b>“JSE Listings Requirements”</b>	the Listings Requirements of the JSE in force as at the Last Practicable Date;
<b>“Last Practicable Date”</b>	the last practicable date before finalisation of this Circular, which date was Monday 26 April 2021;
<b>“Loan Reduction”</b>	the write off of the outstanding amounts of the loans advanced by the Vendors to AMR in the agreed amount of R11 210 960,30 – being a reduction in an amount equal to the warranty claims, adjusted for interest which shall continue to accrue in accordance with its terms and paid on the balance of the loan;
<b>“MOI”</b>	the memorandum of incorporation of Insimbi;
<b>“Notice of General Meeting”</b>	the notice of the General Meeting, forming part of this Circular;
<b>“Own-Name Registration” or “Own-Name Dematerialised Shareholders”</b>	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
<b>“PSG Capital”</b>	PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company incorporated under the laws of South Africa;
<b>“Rand” or “R”</b>	South African Rand;
<b>“Register”</b>	the register of Shareholders of the Company;
<b>“Repo Metals”</b>	Repo Metals Holdings Proprietary Limited, a private limited liability company incorporated in accordance with the laws of South Africa with registration number 2010/006175/07, the ultimate beneficial shareholders are not related parties to Insimbi or its subsidiaries in terms of section 10 of the JSE Listings Requirements;
<b>“Settlement”</b>	collectively, the Specific Repurchase, the GW Share Repurchase and the Loan Reduction;
<b>“Settlement Agreement”</b>	Collectively, the agreement titled <i>“Settlement Agreement”</i> entered into between Insimbi and the Vendors, amongst others on 29 January 2021 and the agreement titled <i>“Reinstatement and amendment of the Group Wreck Settlement Agreement”</i> entered into between Insimbi and the Vendors, amongst others on 22 April 2021;
<b>“Share Certificates”</b>	share certificates evidencing the Shares held by Certificated Shareholders or any other Document of Title acceptable to the Board in its sole discretion;
<b>“Shareholders” or “Insimbi Shareholders”</b>	registered holders of Shares;
<b>“Shares” or “Insimbi Shares”</b>	ordinary shares in the issued share capital of Insimbi with a par value of 0,000025 cents;
<b>“Solimene Holdings”</b>	Solimene Holdings Proprietary Limited, a private limited liability company incorporated in accordance with the laws of South Africa with registration number 2018/478797/07 the ultimate beneficial shareholders are not related parties to Insimbi or its subsidiaries in terms of section 10 of the JSE Listings Requirements;
<b>“Solvency and Liquidity Test”</b>	the solvency and liquidity test set out in section 4(1) of the Companies Act;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Specific Repurchase”</b>	the proposed repurchase of the Specific Repurchase Shares by Insimbi from the Vendors at the Specific Repurchase Price on the basis set out in this Circular;

## DEFINITIONS AND INTERPRETATIONS

<b>“Specific Repurchase Price”</b>	for purposes of repurchasing the Specific Repurchase Shares from the Vendors for a total price of R150 000, a repurchase price per Specific Repurchase Share of R0,008125, representing a discount of 98,6% to the volume weighted average trading price of Insimbi Shares traded on the JSE over the 30 trading days up to 28 January 2021, the date prior to the conclusion of the Settlement Agreement;
<b>“Specific Repurchase Shares”</b>	18 461 538 Insimbi Shares to be repurchased by Insimbi from the Vendors, in terms of the Specific Repurchase, which constitutes 4,2% of the total issued share capital of Insimbi;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
<b>“Subsidiary” or “Subsidiaries”</b>	a “subsidiary” as defined in the Companies Act;
<b>“Transfer Secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa; and
<b>“Vendors”</b>	the vendors, holding the remaining 10% of the ordinary shares in Group Wreck and parties to the Settlement Agreement, being Ella Rose, Repo Metals and Solimene Holdings.





Insimbi Industrial Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2002/029821/06)  
Share code: ISB ISIN: ZAE000116828  
("Insimbi" or "the Company")

#### Directors

R Dickerson ( <i>Chairman</i> ) **	C Coombs	<i>*Non-executive</i>
F Botha ( <i>Chief Executive Officer</i> )	I Mogotlane *	<i># Independent</i>
N Winde ( <i>Financial Director</i> )	N Mwale *	
	C Ntshingila **	

## CIRCULAR TO INSIMBI SHAREHOLDERS

### 1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1. Shareholders of Insimbi are referred to the announcement released by the Company on SENS on 9 February 2021, in terms of which Shareholders were advised that Insimbi, had agreed the terms of the Settlement with the Vendors.
- 1.2. Shareholders are also referred to the various announcements released on SENS, the last of which was released on 16 November 2018 setting out the acquisition of Group Wreck for an initial transaction consideration of R120 million, payable part in cash, part through the issue of 18 461 538 Insimbi Shares to the Vendors and receipt of a loan to AMR of R23 million from the Vendors.
- 1.3. The original purchase price set out in paragraph 1.2 was subject to certain profit targets being achieved for agreed profit target periods commencing on 1 December 2018 and ending on 30 November 2021 and 30 November 2022 respectively. Failure to achieve the three-year profit targets would result in Insimbi repurchasing the Specific Repurchase Shares pursuant to a call option granted to it by the Vendors in terms of the original Group Wreck acquisition agreement. In addition, agreement was reached with the Vendors that Group Wreck could acquire the remaining 10% of the shares from the Vendors after the 4 year profit target period in accordance with a pre-agreed formula for determining that repurchase price.
- 1.4. During November 2020, Insimbi identified a number of warranty claims against the Vendors, specifically relating to the Group Wreck net asset value, and, in order to settle those warranty claims, the parties have entered into the Settlement Agreement. In addition to the foregoing, subsequent to the acquisition of Group Wreck and specifically in the financial year ending 28 February 2021 as a result of the impact on the economy of Covid-19 coupled with the ban on exports of both ferrous and non-ferrous recycled metals which was implemented by the local SA authorities as a result of the pandemic, the business of Group Wreck has been severely adversely effected and it has become clear to all parties that Group Wreck will not achieve its anticipated profit warranties within the 3 year period post its acquisition.
- 1.5. Given that Group Wreck is unlikely to achieve its profit targets, the parties have agreed to accelerate the measures in the original Group Wreck acquisition agreement and, as a result, have agreed to implement the Settlement, in the manner contemplated in the Settlement Agreement, which includes collectively the Specific Repurchase by way of exercising the above-mentioned call option, the Loan Reduction and the GW Share Repurchase. The parties have done so to achieve a final separation between the parties and to ensure that Group Wreck becomes a wholly-owned subsidiary of Insimbi.
- 1.6. In terms of the Settlement, the Specific Repurchase must comply with paragraph 5.69 of the JSE Listings Requirements. In terms of paragraph 5.69 of the JSE Listings Requirements, the Specific Repurchase will require Shareholder approval by way of a special resolution.
- 1.7. The purpose of this Circular is to:
  - 1.7.1 provide Shareholders with the requisite information regarding the Specific Repurchase, so as to enable them to make an informed decision in respect of the resolution set out in the Notice of General Meeting; and
  - 1.7.2 convene the General Meeting at which Shareholders can consider and, if deemed fit, approve, with or without modification, the resolution authorising the implementation of the Specific Repurchase.

## 2. RATIONALE FOR THE SPECIFIC REPURCHASE

As a result of this negative impact on the business of Group Wreck, the staff compliment of Group Wreck has been reduced materially as part of a cost-cutting initiative to achieve sustainability under the new business environment. This necessitated the early retirement in June 2020 of Mr Angelo Solimene, the founder and CEO of Group Wreck and the departure or release from duty by Group Wreck, of all employees related to Mr Solimene. As a result, the business relationship between Group Wreck and the Vendors, has broken down and the parties have agreed to end the relationship amicably and to avoid the potential for costly future litigation or arbitration.

The Specific Repurchase represents a good outcome for Insimbi given the under-performance of Group Wreck, which remedies are in line with those agreed in the original agreement when the Company acquired Group Wreck. In addition, the Directors believe the Specific Repurchase represents a good opportunity to create value for shareholders.

## 3. SUMMARY OF THE SPECIFIC REPURCHASE

### 3.1. Overview

3.1.1 Insimbi proposes in terms of the Specific Repurchase, to repurchase the Specific Repurchase Shares at the Specific Repurchase Price. The Specific Repurchase Shares to be so repurchased constitute approximately 4,2% of Insimbi's total issued share capital. The Specific Repurchase Shares will not:

- 3.1.1.1. be acquired from a director or prescribed officer of Insimbi, or a person related to a director or prescribed officer of Insimbi in the manner contemplated in section 48(8)(a) of the Companies Act; and
- 3.1.1.2. considered alone, or together with other transactions in an integrated series of transactions, involve the acquisition by Insimbi of more than 5% of the issued Shares in the manner contemplated in section 48(8)(b) of the Companies Act.

3.1.2 The Specific Repurchase Price will be settled in cash on the implementation date of the Specific Repurchase from available cash resources.

3.1.3 In terms of paragraph 5.69 of the JSE Listings Requirements, a special resolution of the Company must be passed by Shareholders in order to implement the Specific Repurchase.

3.1.4 The Specific Repurchase Shares will, once repurchased by Insimbi, be cancelled in accordance with the Companies Act and their listing on the JSE terminated on, or as soon as possible after, the implementation of the Specific Repurchase.

### 3.2. Conditions Precedent

3.2.1 The Settlement Agreement is subject to the fulfilment or waiver of a number of outstanding suspensive conditions, that, amongst others, on or before 30 July 2021:

- 3.2.1.1. Insimbi Shareholders approve the Specific Repurchase as required by paragraph 5.69(b) of the JSE Listings Requirements, by way of a special resolution at a meeting called for that purpose; and
- 3.2.1.2. Insimbi obtains all regulatory approvals for the implementation of the Specific Repurchase; and
- 3.2.1.3. Insimbi confirming to the Vendors that it has obtained approval from its financiers to implement the Settlement Agreement.

### 3.3. Effective Date of the Specific Repurchase

The effective date of the Specific Repurchase will be Wednesday, 9 June 2021.

## 4. ADEQUACY OF CAPITAL

### 4.1. The Directors have considered the impact of the Specific Repurchase and are of the opinion that:

4.1.1 the relevant provisions of section 4 and section 48 of the Companies Act in relation to the Specific Repurchase have been complied with (and the Directors will, by resolution, apply the solvency and liquidity test contemplated in section 4 of the Companies Act in the manner contemplated in section 46(1)(c) of the Companies Act;

4.1.2 as contemplated in section 46(1)(b) of the Companies Act, it reasonably appears that Insimbi will satisfy the solvency and liquidity test immediately after completing the Specific Repurchase, in that:

4.1.3 Insimbi and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months from the date of approval of this Circular;

#### 4. ADEQUACY OF CAPITAL CONTINUED

- 4.1.4 the assets of Insimbi and the Group as fairly valued will be in excess of their liabilities as fairly valued, for a period of 12 months from the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of Insimbi and the Group, which comply with the Companies Act;
- 4.1.5 the share capital and reserves of Insimbi and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of this Circular; and
- 4.1.6 the working capital of Insimbi and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of this Circular.

#### 4.2. Furthermore, the Directors state as follows:

- 4.2.1 in terms of section 46(1)(a)(ii) of the Companies Act and paragraph 5.69(d) of the JSE Listings Requirements, the Board has, by resolution, authorised the Specific Repurchase;
- 4.2.2 in terms of section 46(1)(b) of the Companies Act, it reasonably appears that Insimbi and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase; and
- 4.2.3 in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the JSE Listings Requirements, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that Insimbi and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase and that, since the Solvency and Liquidity Test was performed, there have been no material changes to the financial position of any company in the Group.

#### 5. PRO FORMA FINANCIAL INFORMATION OF INSIMBI

- 5.1. The *pro forma* financial effects of the Settlement are the responsibility of the Directors. The consolidated *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Insimbi has been prepared and in terms of Insimbi's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Insimbi's financial position, changes in equity, results of operations or cash flows post the implementation of the Settlement.
- 5.2. The *pro forma* financial information of Insimbi has been prepared based on the published unaudited unreviewed final financial information of Insimbi for the six months ended 31 August 2020.
- 5.3. The *pro forma* financial effects should be read in conjunction with the *pro forma* statement of comprehensive income and the *pro forma* statement of financial position as set out in Annexure 1, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in Annexure 1.
- 5.4. The report of the Independent Reporting Accountant in respect of the *pro forma* financial statements referred to in paragraph 5.3 above, appears in Annexure 2 to this Circular.

#### 6. INFORMATION RELATING TO INSIMBI

##### 6.1. Share capital

The authorised and issued ordinary share capital of Insimbi, before and after the Specific Repurchase, is set out below:

Before the Specific Repurchase	Number of Shares	R'000
<b>Authorised share capital</b>		
Ordinary shares of 0,000025 cents each	12 000 000 000	–
<b>Issued share capital</b>		
Share premium	413 662 532	239 245
Share issue costs written off against share premium		(8 618)
Treasury shares	26 590 967	(22 093)
<b>Total</b>	<b>440 000 000</b>	<b>208 850</b>

## 6. INFORMATION RELATING TO INSIMBI CONTINUED

After the Specific Repurchase	Number of Shares	R'000
<b>Authorised share capital</b>		
Ordinary shares of 0,000025 cents each	12 000 000 000	–
<b>Issued share capital</b>		
Share premium	395 200 994	239 095
Share issue costs written off against share premium	–	(8 618)
Treasury shares	26 590 967	(22 093)
<b>Total</b>	<b>421 538 462</b>	<b>208 700</b>

### 6.2. Major Shareholders

6.2.1 As at the Last Practicable Date, insofar as it is known to the Company, the following Shareholders are directly or indirectly beneficially interested in 5% or more of the share capital of Insimbi:

Name	Number of Shares held beneficially	% of Shares in issue (excluding treasury shares)
New Seasons Investment Fund Proprietary Limited	82 000 000	19,84
F Botha	37 135 676	8,98
Pruta Securities	34 410 000	8,32
EP Liechti	29 096 092	7,04
CF Botha	29 287 936	7,08
Jacana Assets Limited	23 000 000	5,56
Golden Griffin Investments Proprietary Limited	20 765 100	5,02
Casterly Rock Investments Proprietary Limited	20 770 100	5,02
<b>Total</b>	<b>276 464 904</b>	<b>66,88</b>

6.2.2 Following the implementation of the Specific Repurchase, insofar as it is known to the Company, the following Shareholders will be directly or indirectly beneficially interested in 5% or more of the share capital of Insimbi:

Name	Number of Shares held beneficially	% of Shares in issue (excluding treasury shares)
New Seasons Investment Fund Proprietary Limited	82 000 000	20,76
F Botha	37 135 676	9,40
Pruta Securities	34 410 000	8,71
EP Liechti	29 096 092	7,37
CF Botha	29 287 936	7,42
Jacana Assets Limited	23 000 000	5,82
Golden Griffin Investments Proprietary Limited	20 765 100	5,26
Crimson Clover Investments Proprietary Limited	20 770 100	5,26
Casterly Rock Investments Proprietary Limited	19 880 100	5,03
	<b>296 345 004</b>	<b>75,04</b>

## 6. INFORMATION RELATING TO INSIMBI CONTINUED

### 6.3. Material changes

The Company released a trading statement on 29 March 2021, wherein it announced that despite the challenges experienced throughout the year as a result of the Covid-19 pandemic, the Group recovered remarkably well in the second half of the year. In addition, the Company advised that a reasonable degree of certainty exists for the 12 months ended 28 February 2021 that the results are expected to be as follows:

- Revenue of between R4,9 billion and R5,0 billion, an increase of between 2% and 4%;
- EBITDA of between R150,8 million and R163,9 million, an increase of between 15% and 25%;
- EPS of between 9,29 and 10,10 cents per share compared to 8,08 cents per share for the period ended 29 February 2020, an increase of between 15% and 25%; and
- HEPS of between 9,62 and 10,64 cents per share compared to 10,13 cents per share for the period ended 29 February 2020, between minus 5% to 5%.

### 6.4. Material contracts

There have been no material contracts, other than the Settlement Agreement, entered into either verbally or in writing by Insimbi or its Subsidiaries, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by Insimbi and/or its Subsidiaries, within the two years preceding the Last Practicable Date, or concluded at any time, and which contain an obligation or settlement that is material to Insimbi and/or its Subsidiaries at the date of this Circular.

## 7. INFORMATION RELATING TO THE DIRECTORS

### 7.1. Directors' service contracts

Each of the executive Directors have concluded service contracts with terms and conditions that are appropriate for such appointments, which are available for inspection in terms of paragraph 14 below. No service contracts have been entered into or amended within the 6 months prior to the Last Practicable Date.

### 7.2. Directors' interests

7.2.1 The direct and indirect interests of the Directors and their associates (including a Director who has resigned during the last 18 months) in the share capital of the Company as at the Last Practicable Date, are set out below:

Director	Number of Shares held directly	Number of Shares held indirectly	% of Shares in issue held (excluding treasury shares)
F Botha	36 847 300	288 176	8,98
<b>Total</b>	<b>36 847 300</b>	<b>288 176</b>	<b>8,98</b>

7.2.2 The direct and indirect interests of the Directors and their associates (including a Director who has resigned during the last 18 months) in the share capital of the Company following the implementation of the Specific Repurchase, are set out below:

Director	Number of Shares held directly	Number of Shares held indirectly	% of Shares in issue held (excluding treasury shares)
F Botha	36 847 300	288 176	9,40
<b>Total</b>	<b>36 847 300</b>	<b>288 176</b>	<b>9,40</b>

### 7.3. Directors' Interests in transactions

Save for directors being shareholders of Insimbi, no Director (including a Director who has resigned during the last 18 months) has or had any material beneficial interest, directly or indirectly, in any transactions that were effected by Insimbi:

7.3.1 during the current or immediately preceding financial year; or

7.3.2 in any previous financial year which remains in any respect outstanding or unperformed, other than the Specific Repurchase.

## 8. GENERAL MEETING AND VOTING

- 8.1. The General Meeting will be held at the offices of the Company at 359 Crocker Road, Wadeville, Extension 4, Germiston on Friday, 4 June 2021 at 10:00 for purposes of considering and, if deemed fit, passing, with or without modification, the special resolution required to authorise the implementation of the Specific Repurchase.
- 8.2. The Notice of General Meeting is attached to and forms part of this Circular. Full details of the action required by Shareholders is set out in the "Action Required by Shareholders" section of this Circular.
- 8.3. The special resolution relating to the Specific Repurchase is set out in the Notice of General Meeting and is subject to at least 75% of the votes cast by shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof. The Vendors and their associates will be excluded from voting on the special resolution to approve the Specific Repurchase.

## 9. EXPENSES

- 9.1. There have been no preliminary expenses relating to the Specific Repurchase incurred by Insimbi in the three years immediately preceding the date of this Circular.
- 9.2. The estimated expenses of Insimbi in relation to the Specific Repurchase, including the fees payable to professional advisors, exclusive of Value Added Tax, are as follows:

<b>Name</b>	<b>R'000</b>
Sponsor and Transaction Advisor – PSG Capital	150
JSE documentation fees	24
Transfer Secretaries – Computershare	15
Printing, publication, distribution and advertising expenses – Rife Designs CC	15
Independent Reporting Accountant's assurance report – Moore Inc.	58
<b>Total</b>	<b>262</b>

## 10. RESPONSIBILITY STATEMENTS

The Directors of Insimbi, whose names appear in the "Corporate Information" section of this 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 that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

## 11. ADVISORS' CONSENTS

Each of the advisors whose names appear in the "Corporate Information" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, to the inclusion of their reports in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the Last Practicable Date.

## 12. SPONSOR AND TRANSACTION ADVISOR

As indicated in this Circular, PSG Capital fulfils the functions of sponsor and transaction advisor to the Company. It is PSG Capital's opinion that the performance of these functions do not represent a conflict of interest for PSG Capital, impair PSG Capital's independence from the Company or impair PSG Capital's objectivity in its professional dealings with the Company or in relation to the matters contemplated in this Circular.

### 13. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which Insimbi or its Subsidiaries are aware, which may have or have had a material effect on the financial position of the Group in the last twelve months.

### 14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Insimbi and at the offices of the PSG Capital, during normal office hours, from the date of issue of this Circular up to and including Friday, 4 June 2021:

14.1. the Circular;

14.2. the MOI of Insimbi;

The original Group Wreck acquisition agreement;

14.3. the Settlement Agreement;

14.4. the service contracts of the executive Directors; and

14.5. the written consents referred to in paragraph 11.

**SIGNED AT JOHANNESBURG ON THURSDAY, 6 MAY 2021 ON BEHALF OF ALL THE DIRECTORS OF THE COMPANY, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS.**



**F BOTHA**

*Chief Executive Officer*

6 May 2021

Directors		
R Dickerson (Chairman) **	C Coombs	*Non-executive
F Botha (Chief Executive Officer)	I Mogotlane *	# Independent
N Winde (Financial Director)	N Mwale *	
	C Ntshingila **	

## ANNEXURE 1

### PRO FORMA FINANCIAL INFORMATION OF INSIMBI

The *pro forma* financial information set out below is the responsibility of the Directors of Insimbi and is prepared for illustrative purposes only to illustrate the financial effects of the Settlement.

Due to the nature and timing of the *pro forma* financial information, it may not fairly present the financial position of Insimbi, its changes in equity or the results of its operations or cash flows after the Settlement. It also does not reflect the impacts of any impairments that may arise in future, as a result of the Settlement.

An Independent Reporting Accountant's assurance report on the *pro forma* financial information is included in Annexure 2.

The *pro forma* financial information has been compiled using accounting policies that are consistent with IFRS and those applied in the unreviewed consolidated condensed financial results for the six months ended 31 August 2020.

The *pro forma* financial information has been prepared in accordance with the Listings Requirements and the revised Guide on *Pro Forma* Financial Information issued by SAICA.

The *pro forma* consolidated Statement of Financial Position has been prepared to illustrate the impact of the Settlement on the unreviewed Statement of Financial Position of the Group as at 31 August 2020 as if the Settlement occurred on that date.

R'000	Unreviewed as at 31 August 2020 <sup>1</sup>	Settlement <sup>2</sup>	<i>Pro forma</i> after the settlement
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	448 561	–	448 561
Goodwill	170 484	–	170 484
Intangible assets	9 859	–	9 859
Investments in joint ventures	892	–	892
Lease receivable	3 408	–	3 408
Deferred taxation asset	11 552	–	11 552
	<b>644 757</b>	<b>–</b>	<b>644 757</b>
<b>Current assets</b>			
Inventories	182 845	–	182 845
Lease receivable	113	–	113
Trade and other receivables	383 538	–	383 538
Current taxation receivable	1 548	–	1 548
Cash and cash equivalents <sup>2.a, 2.b &amp; 2.d</sup>	125 960	(762)	125 198
	<b>694 005</b>	<b>(762)</b>	<b>693 505</b>
<b>Total assets</b>	<b>1 338 761</b>	<b>(762)</b>	<b>1 338 261</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital <sup>2.b</sup>	208 695	(150)	208 545
Premium on non-controlling interest <sup>2.a</sup>	–	(350)	(350)
Reserves	50 120	–	50 120
Retained earnings <sup>2.c – 2.d</sup>	214 120	10 949	225 069
Non-controlling interest	–	–	–
	<b>472 935</b>	<b>10 449</b>	<b>483 384</b>



PRO FORMA FINANCIAL INFORMATION OF INSIMBI CONTINUED

R'000	Unreviewed as at 31 August 2020 <sup>1</sup>	Settlement <sup>2</sup>	Pro forma after the settlement
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities at amortised cost <sup>2,c</sup>	348 320	(11 211)	337 109
Lease liabilities	14 644	–	14 644
Deferred taxation	42 056	–	42 056
Contingent consideration	870	–	870
	<b>405 890</b>	<b>(11 211)</b>	<b>394 679</b>
<b>Current liabilities</b>			
Loans from shareholders	–	–	–
Financial liabilities at amortised cost	327 838	–	327 838
Derivatives	63	–	63
Lease liabilities	1 227	–	1 227
Current taxation payable	–	–	–
Trade and other payables	130 808	–	130 808
	<b>459 936</b>	<b>–</b>	<b>459 936</b>
<b>Total liabilities</b>	<b>865 827</b>	<b>(762)</b>	<b>854 616</b>
<b>Total equity and liabilities</b>	<b>1 338 761</b>	<b>(762)</b>	<b>1 338 261</b>
<b>Number of shares in issue</b>	440 000 000	(18 461 538)	421 538 462
<b>Number of treasury shares at the end of the period</b>	26 337 468	–	26 337 468
<b>Net asset value per share</b>	108,17	14,14	122,31
<b>Tangible net asset value per share</b>	66,92	9,76	76,68

1. The "Unreviewed as at 31 August 2020" column is extracted without modification from Insimbi's unreviewed consolidated condensed financial results for the six months ended 31 August 2020.
2. The "Settlement" adjustment column represents the impact of the Settlement, which comprises the following:
  - a. The financial effects of the GW Share Repurchase, being a cash outflow of R350 000 and the recognition of a premium on acquisition of a non-controlling interest;
  - b. The financial effects of the Specific Repurchase, being a cash outflow of R150 000 and a reduction to Stated Capital;
  - c. The financial effects of the Loan Reduction, being a reduction in financial liabilities in the amount of R11 210 960; and an increase to retained to earnings; and
  - d. Transactional costs of R262 000 arising from the Settlement.
3. There are no other post-balance sheet events which require adjustment to the pro forma financial information.

ANNEXURE 1 CONTINUED

**PRO FORMA STATEMENT OF COMPREHENSIVE INCOME**

The *pro forma* consolidated Statement of Comprehensive Income has been prepared to illustrate the impact of the Settlement on the unreviewed Statement of Comprehensive Income of the Group for the six months ended 31 August 2020 as if the Settlement occurred on 1 March 2020.

R'000	Unreviewed as at 31 August 2020 <sup>1</sup>	Settlement <sup>2</sup>	<i>Pro forma</i> after the settlement
Revenue	2 121 263	–	2 121 263
Cost of sales	(1 927 425)	–	(1 927 425)
<b>Gross profit</b>	<b>193 838</b>	<b>–</b>	<b>193 838</b>
Other operating income	3 920	–	3 920
Other operating gains/losses <sup>2.c.</sup>	(516)	11 211	10 695
Operating expenses <sup>2.d.</sup>	(163 397)	(262)	(163 659)
<b>Operating profit</b>	<b>33 845</b>	<b>10 949</b>	<b>44 794</b>
Investment revenue	905	–	905
Income from equity accounted investments	1 082	–	1 082
Finance cost	(27 017)	–	(27 017)
<b>Profit before taxation</b>	<b>8 814</b>	<b>10 949</b>	<b>19 763</b>
Taxation	(4 617)	–	(4 617)
<b>Profit for the year</b>	<b>4 197</b>	<b>10 949</b>	<b>15 146</b>
<b>Total comprehensive income for the year</b>	<b>4 197</b>	<b>10 949</b>	<b>15 146</b>

R'000	Unreviewed as at 31 August 2020 <sup>1</sup>	<i>Pro forma</i> adjustments	<i>Pro forma</i> information after adjustments
<b>Basic earnings/(loss) per share</b>			
From continuing operations (cents per share)	1,02	2,84	3,86
Number of weighted shares in issue at the end of the period/year ('000)	437 218	(18 462)	418 756
Less: treasury shares held in a subsidiary at the end of the year ('000)	(26 217)	–	(26 217)
	<b>411 001</b>	<b>(18 462)</b>	<b>392 539</b>
<b>Headline earnings/(loss) per share</b>			
Profit attributable to owners of the parent (R'000)	4 197	10 949	15 146
Adjusted for (profit)/loss on sale of property, plant and equipment, net of tax (R'000)	40	–	40
Headline earnings for the group (R'000)	<b>4 237</b>	<b>10 949</b>	<b>15 186</b>
Headline earnings per share (cents)	1,03	2,84	3,87
<b>Reconciliation of number of shares for diluted earnings/(loss)</b>			
Weighted average number of ordinary shares in issue ('000)	411 001	(18 462)	392 539
Adjusted for: Share options ('000)	15 073	–	15 073
Weighted average number of ordinary shares for diluted earnings per share ('000)	<b>426 074</b>	<b>(18 462)</b>	<b>407 612</b>
Diluted earnings per share (cents)	0,99	2,73	3,72
Diluted headline earnings per share (cents)	0,99	2,74	3,73

- The "Unreviewed as at 31 August 2020" column is extracted without modification from Insimbi's unreviewed consolidated condensed financial results for the six months ended 31 August 2020.
- The "Settlement" adjustment column represents the impact of the Settlement, which comprises the following:
  - The GW Share Repurchase will not have any financial effect on the Statement of Comprehensive Income of the Group;
  - The Specific Repurchase will result in a decrease in the weighted average number of shares for the period of 18 461 538;
  - The financial effects of the Loan Reduction, being a reduction in financial liabilities in the amount of R11 210 960; and the recognition of other income in the same amount; and
  - transactional costs of R262 000 arising from the Settlement being expensed.
- These adjustments will not have a continuing impact.

## ANNEXURE 2

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

The Board of Directors  
Insimbi Industrial Holdings Limited  
359 Crocker Road  
Wadeville, Extension 4  
Germiston  
1407  
Gauteng  
6 May 2021

Dear Sirs/ Madams

#### Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in the Circular

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Insimbi Industrial Holdings Limited ("Insimbi" or the "Company") by the directors. The *pro forma* financial information, as set out in paragraph 5 and Annexure 1 of the circular (the "Circular") to be issued by Insimbi on or about 6 May 2021, consists of the *pro forma* consolidated statement of financial position as at 31 August 2020, the *pro forma* consolidated statement of comprehensive income for the six months ended 31 August 2020 and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited ("JSE") Listings Requirements and described in paragraph 5 and Annexure 1 of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed transaction wherein:

- Group Wreck International Non-ferrous Proprietary Limited ("Group Wreck"), a subsidiary of Insimbi, will repurchase all of the ordinary shares held by Ella Rose, Repo Metals and Solimene Holdings (collectively the "Vendors"), resulting in Group Wreck becoming a wholly owned subsidiary of Insimbi Group, for R350 000 (the "GW Specific Repurchase");
- the proposed repurchase of 18 461 538 Insimbi Shares from the Vendors, constituting 4,2% of the total issued share capital of Insimbi, for a repurchase consideration of R150 000 (the "Specific Repurchase"); and
- the reduction in the outstanding amounts of the loans advanced by the Vendors to Amalgamated Metals Recycling Proprietary Limited, a wholly-owned subsidiary of Insimbi, in the agreed amount of R11 210 960,30 (the "Loan Reduction").

The GW Specific Repurchase, the Specific Repurchase and the Loan Reduction are collectively referred to herein as the "Settlement".

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 unreviewed interim financial statements for the six months ended 31 August 2020.

#### Directors' responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 5 and Annexure 1 of the Circular.

#### 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 behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

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.

## ANNEXURE 2 CONTINUED

### 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 of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 5 and Annexure 1 of the Circular 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 issued by the International Auditing and Assurance Standards Board. 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.

The purpose of *pro forma* financial information included in a Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration.

Accordingly, 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 by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, 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.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction 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 5 and Annexure 1 of the Circular.

Moore Cape Town Inc.

MOORE CAPE TOWN INC.

Director: Adele Smit

Registered Auditor and Reporting Accountant Specialist

Cape Town

6 May 2021



Insimbi Industrial Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2002/029821/06)  
Share code: ISB ISIN: ZAE000116828  
("Insimbi" or "the Company")

## NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 4 of this Circular, which Circular also contains this Notice of General Meeting apply in this Notice of General Meeting unless the context requires otherwise.

Shareholders are reminded that:

- a Shareholder entitled to participate in the General Meeting is entitled to appoint a proxy (or more than one proxy) to participate in and vote at the General Meeting in the place of the Shareholder. In this regard, Shareholders are referred to the attached Form of Proxy (grey);
- an appointed proxy need not also be a Shareholder of the Company; and
- in terms of section 63(1) of the Companies Act, any person participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified.

If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

In terms of section 59 of the Companies Act, the last date to trade in Shares in order to be eligible to participate in and vote at the General Meeting is Tuesday, 25 May 2021 and the General Meeting Record Date is Friday, 28 May 2021.

### Notice of General Meeting

Notice is hereby given that the General Meeting of Shareholders will be held at 10:00 on Friday, 4 June 2021 at the offices of the Company at 359 Crocker Road, Wadeville, Extension 4, Germiston, to consider and, if deemed fit, to pass, with or without modification, the following resolution:

#### SPECIAL RESOLUTION NUMBER 1 – SPECIFIC REPURCHASE

"RESOLVED THAT, in terms, paragraph 5.69 of the JSE Listings Requirements, the Company be and is hereby authorised to repurchase 18 461 538 Insimbi Shares, which constitutes 4,2% of the total issued shares of Insimbi from the Vendors, at the Specific Repurchase Price, upon the terms and conditions as are contained in the Circular to which this Notice of General Meeting is attached, and at which this resolution will be proposed."

In terms of the JSE Listings Requirements, for Special Resolution Number 1 to be adopted, at least 75% of the voting rights exercised on such resolution by Shareholders present in person or represented by proxy and entitled to vote on this resolution at the General Meeting, must be cast in favour of Special Resolution Number 1. The Vendors and their associates will be excluded from voting on Special Resolution Number 1.

#### Reason and effect of Special Resolution Number 1

The reason for Special Resolution Number 1 is that the JSE Listings Requirements requires shareholders to approve, by way of special resolution, any specific repurchase by the Company. The effects of Special Resolution Number 1 will be that the Company will be authorised to implement the Specific Repurchase as described in detail in the Circular, which Circular also contains this Notice of General Meeting. The Vendors and their associates will be excluded from voting on Special Resolution Number 1.

## VOTING AND PROXIES

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote thereat in his or her stead. A proxy need not be a Shareholder of the Company.

For the convenience of Certificated Shareholders and Own-Name Dematerialised Shareholders, a Form of Proxy (grey) is enclosed herewith. Duly completed Forms of Proxy must be lodged with the Transfer Secretaries, at Rosebank Towers, 15 Biermann Ave, Rosebank, 2196 (Private Bag x9000, Saxonwold, 2132) or emailed to the Transfer Secretaries at proxy@computershare.co.za for administrative purposes no later than 10:00 on Wednesday, 2 June 2021, or handed to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting) (should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, such Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting)).

Dematerialised Shareholders without Own-Name Registration who wish to attend the General Meeting in person, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Shareholders without Own-Name Registration who do not wish to attend the General Meeting but wish to be represented at the General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Shareholders without Own-Name Registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

By order of the Board



**M MADHLOPHE**

*Company Secretary*

6 May 2021

### **Registered office**

359 Crocker Road  
Wadeville  
Extension 4  
Germiston, 1407  
Gauteng  
(P.O. Box 14676, Wadeville, Germiston 1422)

### **Transfer secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(Private Bag x9000, Saxonwold, 2132)  
proxy@computershare.co.za



Insimbi Industrial Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2002/029821/06)  
Share code: ISB ISIN: ZAE000116828  
("Insimbi" or "the Company")

## FORM OF PROXY

### TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION ONLY

I/We \_\_\_\_\_  
(print names in full)

of (address) \_\_\_\_\_

Telephone number \_\_\_\_\_

Cell phone number \_\_\_\_\_

Email address \_\_\_\_\_

being a Shareholder of Insimbi and entitled to \_\_\_\_\_ votes, hereby appoint

1. \_\_\_\_\_ or \_\_\_\_\_ failing him/her,

2. \_\_\_\_\_ or \_\_\_\_\_ failing him/her,

3. The Chairperson of the General Meeting

as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of Insimbi to be held at 10:00 on Friday, 4 June 2021 at the offices of the Company at 359 Crocker Road, Wadeville, Extension 4, Germiston, and at any adjournment thereof, as follows:

	For	Against	Abstain
<b>Special Resolution Number 1</b> Specific Repurchase			

Please indicate with an "X" in the appropriate space above how you wish your vote to be cast in respect of the above resolutions should you wish to vote all Insimbi Shares held, or insert the actual number of Shares should you wish to vote part of your Insimbi Shares held.

If you return this form duly signed without any specific directions the proxy holder will vote or abstain at his/her discretion.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature \_\_\_\_\_

**Please read the notes on the reverse side hereof.**

## SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a Shareholder may appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in and vote at, the General Meeting on behalf of such Shareholder;
- any appointed proxy of a Shareholder may delegate authority to act on behalf of that Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 15 below);
- 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 at the General Meeting in the exercise of any of such Shareholder's rights as a Shareholder (see note 5 below);
- any appointment by a Shareholder of a proxy is revocable, unless the form or 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 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 Company's MOI, or the instrument appointing the proxy, provides otherwise (see note 3 below).

## NOTES TO THIS FORM OF PROXY:

1. Each Shareholder is entitled to appoint one or more proxies (none of whom need be a Shareholder of the Company) to participate, speak and vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of an "X" should the Shareholder wish the proxy to exercise all of its votes or the relevant number of votes exercisable by the Shareholder and its proxy in the relevant boxes provided. Failure to comply with the above will be deemed to authorise and direct the proxy to vote or abstain from voting at the General Meeting as such proxy deems fit, in respect of all of the Shareholder's votes exercisable at the General Meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, at Rosebank Towers, 15 Biermann Ave, Rosebank, 2196 (Private Bag x9000, Saxonwold, 2132) or emailed to the Transfer Secretaries at proxy@computershare.co.za for administrative purposes to be received by the Transfer Secretaries by no later than 10:00 on Wednesday, 2 June 2021, or handed to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting) (should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, such Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting)).
5. 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, should such Shareholder wish to do so.
6. The chairperson of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the MOI.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Insimbi or the Transfer Secretaries.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been previously recorded by Insimbi or the Transfer Secretaries or waived by the chairperson of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been previously recorded by Insimbi or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares with Own-Name Registration and who wish to participate in the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the Custody Agreement between the Shareholder and such Shareholder's CSDP or Broker.
13. This Form of Proxy shall be valid at any resumption of an adjourned General Meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been legally used at the General Meeting from which it was adjourned. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, revocation or transfer as aforesaid shall have been received timeously by the Transfer Secretaries.
15. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.









[INSIMBI-GROUP.CO.ZA](http://INSIMBI-GROUP.CO.ZA)