



**INSIMBI**

INDUSTRIAL  
HOLDINGS

**2023**

**INTEGRATED ANNUAL REPORT**







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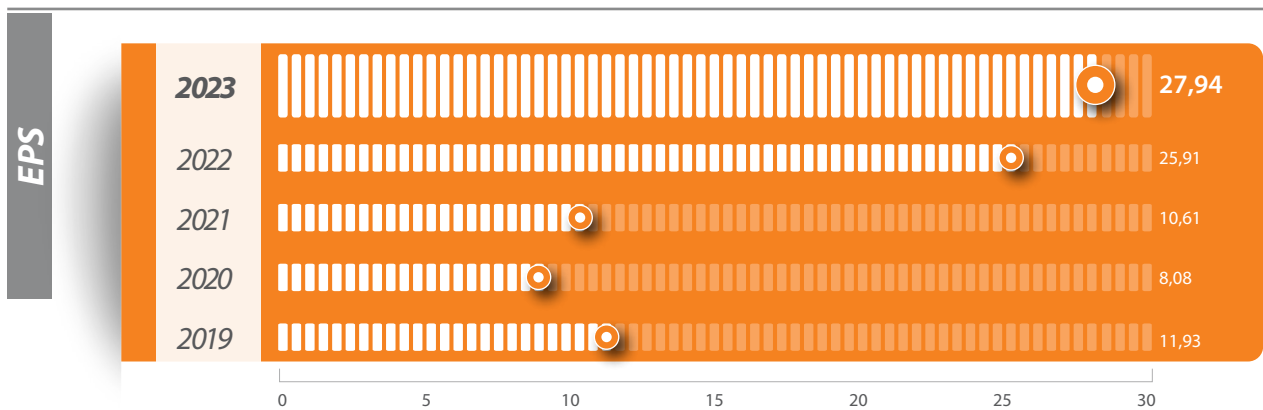
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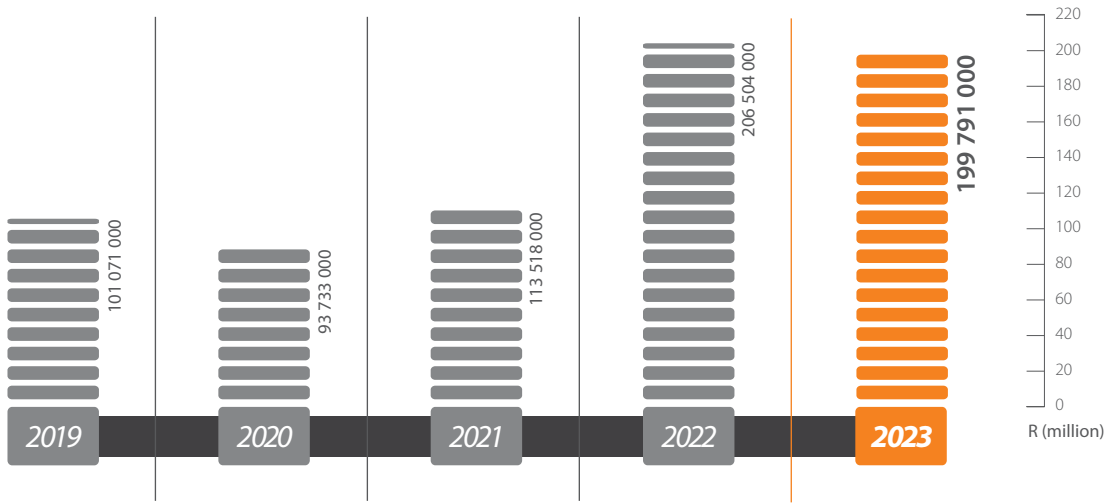


# FINANCIAL INDICATORS: 5-YEAR HISTORY

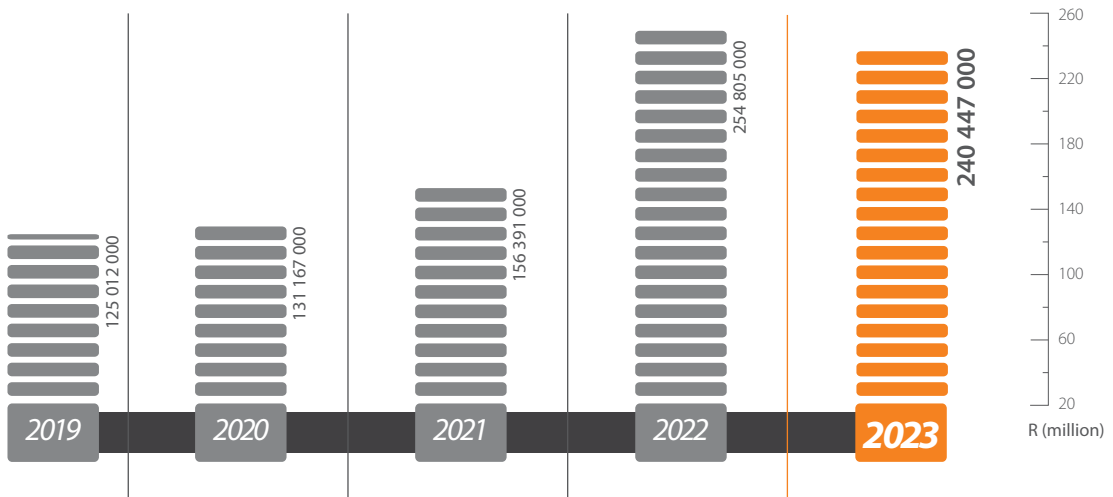




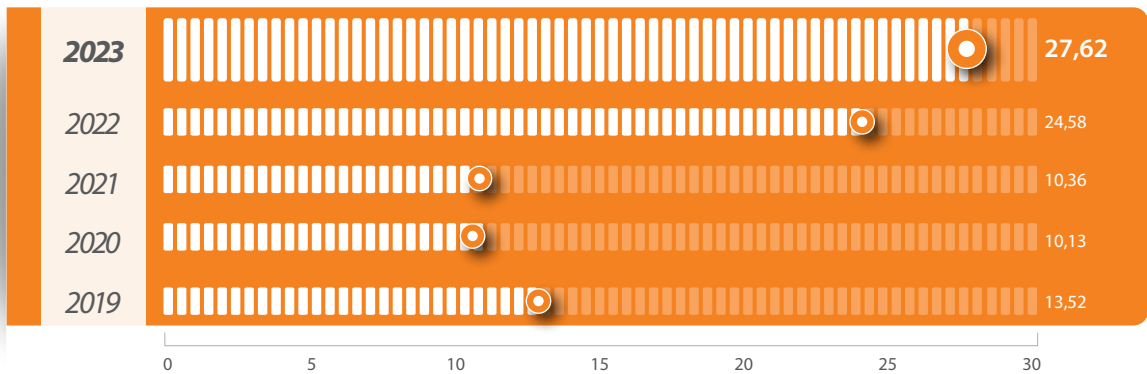
OPERATING PROFIT



EBITDA



HEPS





# INSIMBI INDUSTRIAL HOLDINGS

## PLASTICS



Plastics manufactures containers for various industries including the chemical, agricultural and food industries, among others.

## FERROUS



This segment supplies the steel, stainless steel and foundry industries with raw material requirements. The segment includes the supply of various recycled ferrous metals through Amalgamated Metals Recycling, Treppo Group and Group Wreck.

## REFRACTORY



This segment consists of the divisions that service the steel, platinum, paper and pulp, and cement industry's refractory requirements as well as the supply of industrial heat-resistant textiles.

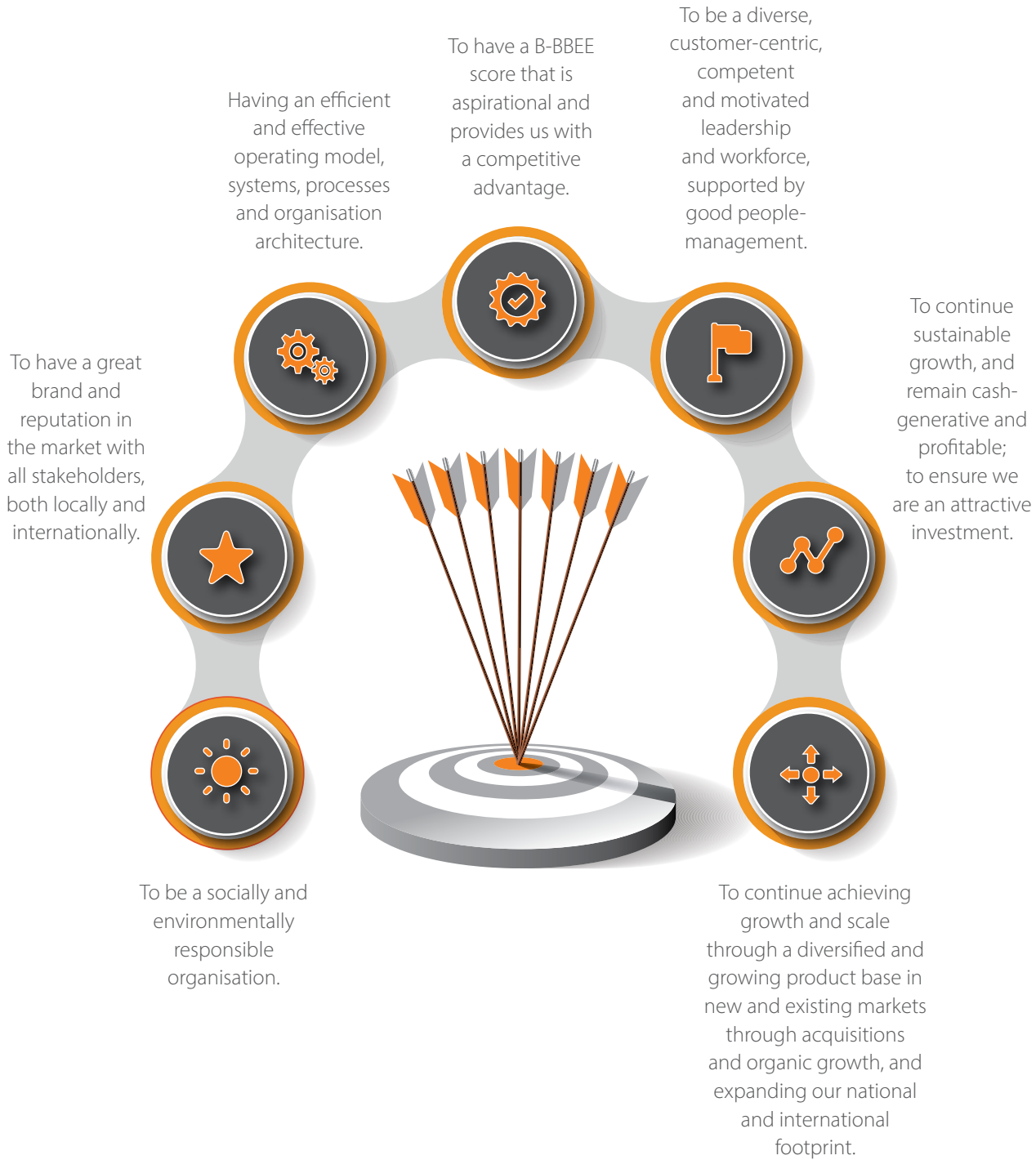
## NON-FERROUS



Non-ferrous consists of the divisions in the group that also service the steel, stainless steel, foundry and non-ferrous industry including the automotive and heavy aluminium industry and the powder coating industry, but with a specific focus on non-ferrous metals including copper, stainless steel and aluminium and a major focus on the export market.



# THE INSIMBI VISION AND MISSION

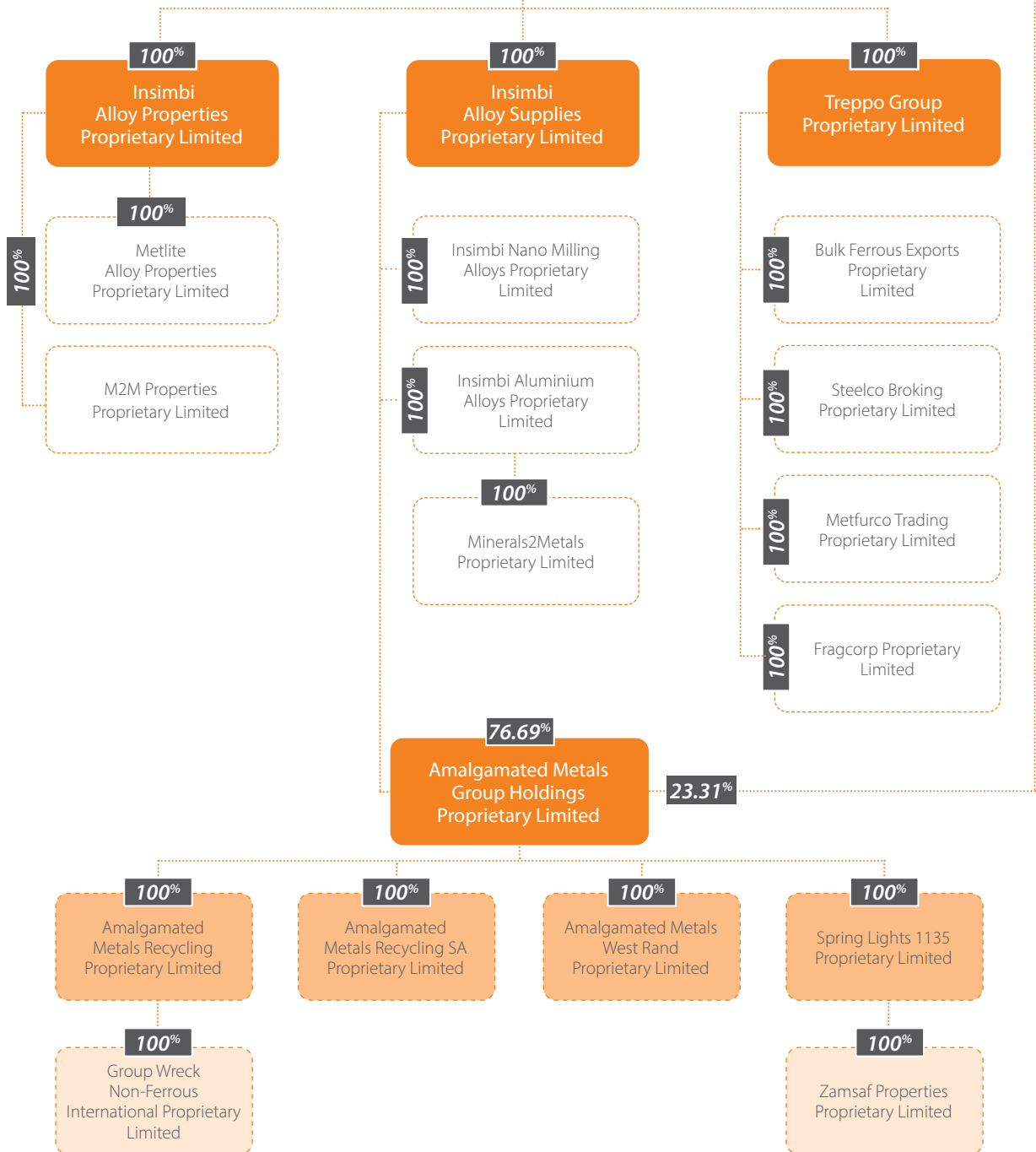




# GROUP STRUCTURE

Insimbi ManCo  
Proprietary Limited

## INSIMBI INDUSTRIAL HOLDINGS

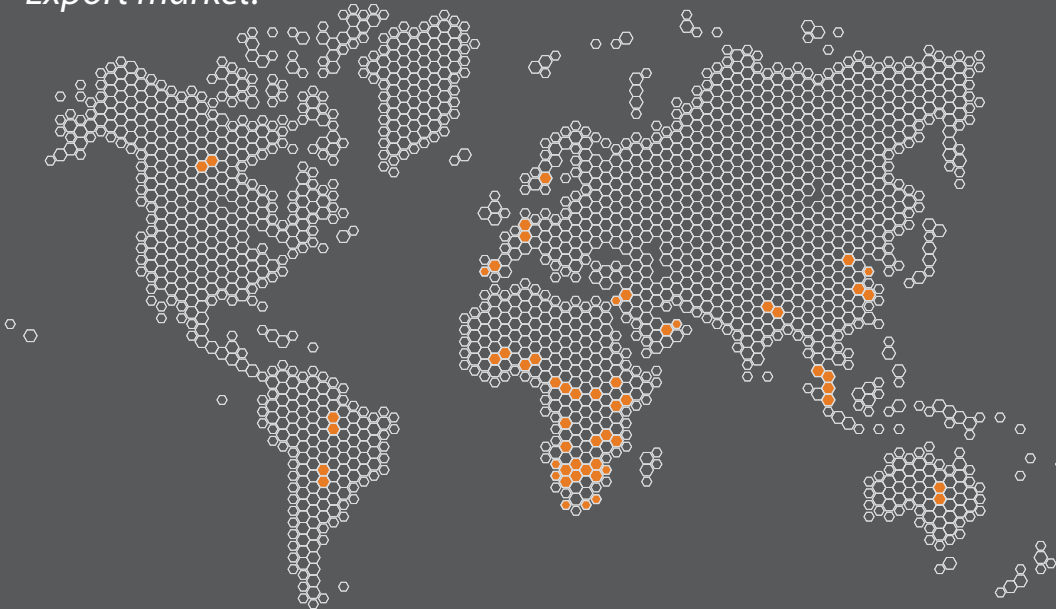




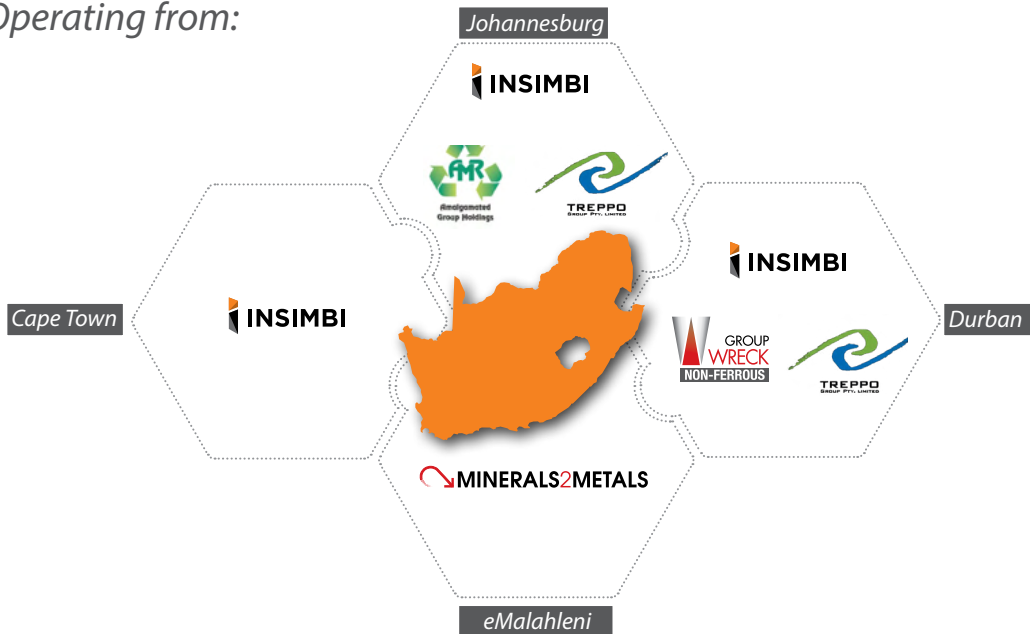
# GEOGRAPHIC FOOTPRINT

- |           |            |                       |          |
|-----------|------------|-----------------------|----------|
| Angola    | Ghana      | Nigeria               | Tanzania |
| Argentina | Hong Kong  | Republic of the Congo | UAE      |
| Australia | India      | Rwanda                | Uganda   |
| Bahrain   | Israel     | Singapore             | USA      |
| Botswana  | Kenya      | Spain                 | Zambia   |
| Brazil    | Malawi     | Swaziland             | Zimbabwe |
| China     | Malaysia   | Sweden                |          |
| DRC       | Mozambique | Switzerland           |          |
| Germany   | Namibia    | Taiwan                |          |

## Export market:



## Operating from:





“ Despite significant global and domestic challenges, Insimbi’s commendable results for the year are testimony to a resilient, diversified group. ”

The past year reintroduced a level of global uncertainty not seen since the global financial crisis of 2008. In a world just returning to a measure of normal after the pandemic, few anticipated the scale of the knock-on effect of Russia’s invasion of Ukraine. The resulting geopolitical tension has affected economies around the world, with concerns about recession in the face of hyperinflation, soaring interest rates, security of energy supply, and volatile commodity markets.

At the same time, South Africa is facing its own infrastructural challenges. Record loadshedding by a crippled national power utility, Eskom, impacted every sector of the economy, exacerbated by the logistical constraints on Transnet’s rail networks and ports.

Despite these significant issues, Insimbi’s commendable results for the year to 28 February 2023 (FY23) are testimony to a resilient, diversified group. This performance reflects decisive management action to adapt the business in recent years to ongoing changes in the operating environment as well as global trends that align with our purpose. The world-wide focus on dwindling natural resources and urgent need to change the way we consume these resources is positive

for Insimbi, as it ties directly to our purpose: to sustainably source, process, beneficiate and recycle metals as part of a clean-ecosystem chain.

From the board’s perspective, Insimbi continues to underscore its resilience by weathering volatile market and economic conditions. Through a focused diversification strategy, it has acquired complementary businesses and integrated these into a cohesive, sustainable group. Enforced streamlining due to pandemic restrictions has created a more efficient group, producing more with less, while reducing debt through disciplined financial management.

### Our macro environment

The South African economy is recording very modest growth. To offset a decade of stagnation, however, the country needs a much faster and sustained pace of GDP growth. Key to this growth is job creation. While the official unemployment rate has improved to 32,7% from 35,3% this time last year, the ongoing closure of businesses of all sizes across all sectors remains cause for great concern. All of which makes the slow implementation of stimulus initiatives even more disappointing, particularly for national



infrastructure. Although President Ramaphosa continues the international drive to promote South Africa as an attractive investment, the country's citizens urgently need evidence that government is taking the necessary steps to accelerate roll-out of the stimulus and provide the support our economy needs to grow at a pace that supports his ambitions. More concrete progress on the anti-corruption front, albeit slow, may improve South Africa's reputation in the global arena where our group aims to compete.

In terms of global trends, growth in the electric vehicle (EV) manufacturing industry is climbing sharply, presenting diverse opportunities and growth potential for our global footprint. In 2022, EV sales rose 55% to 10,5 million, or 13% of the global car market and fivefold their market share in 2019. Sizeable stimulus packages in the US, European Union and China, combined with rising demand for environmentally cleaner transport, continue to drive projected growth to a US\$1-trillion global market by 2026.

Growing demand for metals related to climate-change solutions is very positive for our group. Insimbi's strategy ensures we are well positioned to play our role in this climate-change revolution.

#### Our stakeholders

Insimbi takes an inclusive approach to the broader stakeholder base that underpins our sustainability, in line with best practice.

- Our employees are the cornerstone of our success. In return for their commitment and contribution, we offer attractive development opportunities and fair remuneration for performance. We are committed to our broad-based black economic empowerment (B-BBEE) roadmap to build a representative workforce. Our goal is to continually and sustainably improve our B-BBEE rating for the group.
- Our communities are often home to our employees and suppliers. Through our enterprise and supplier development programme, we support small businesses that in turn create employment and contribute to the fiscus.
- Government and regulators: We advocate through industry bodies – such as the Metal Recyclers Association and Aluminium Federation of South Africa – for legislation that is fair and promotes equitable development in support of national economic growth and job creation.



### Our governance

Insimbi's board, with a majority of non-executive directors, is focused on upholding good governance practices set out in the Companies Act, JSE Listings Requirements and King IV. In fulfilling its responsibility, the board is supported by statutory committees with clear mandates. Our directors contribute an appropriate blend of skills and experience to board decisions that are focused on the best interests of the company and its shareholders.

The Insimbi code of conduct defines ethical behaviour that requires employees to display integrity, fairness, mutual respect and openness at all times. The board holds management to account for ensuring the group adheres to these standards.

In January 2023, Ms IP Mogotlane resigned as a non-executive director after the end of her tenure as a representative of a material Insimbi shareholder. Following this, the Nominations Committee evaluated the composition and size of the board. It concluded that, given the combined knowledge, skills and expertise of the management teams and directors of the company and its operating subsidiaries, a smaller and more streamlined board would be more suited to the group in discharging its governance responsibilities effectively. Subsequent changes to the board, Audit and Risk Committee, and the Social, Ethics and Transformation Committee are detailed in the governance section. Importantly, Insimbi retains a majority of independent non-executive directors, and an appropriate ratio between non-executive and executive directors (3:2).

### Dividend

Mindful of the impact of rising input costs on effective working capital management, the board retains a conservative approach to dividends. At the same time, we are equally mindful of the continued support of shareholders. Accordingly, and given Insimbi's stable operating performance, the board declared an interim gross dividend of 3 cents per share and a final dividend of 5 cents per share, for a total FY23 dividend of 8 cents per share.

A dividend policy was developed in the review period and will be presented to the board for approval in due course.

### Appreciation

Insimbi's continued success reflects the commitment, initiative and ongoing contributions of our executive management team and the employees of each company in the group, along with the wise counsel of my fellow directors. Together, we are fulfilling our vision of a diversified industrial company with a regional and global footprint.

**Robert Dickerson**

Chairman

30 June 2023





“ In a volatile year, Insimbi has produced solid results on all key metrics for the review period to 28 February 2023. ”

In a volatile year, Insimbi has produced solid results on all key metrics for the review period to 28 February 2023. This is detailed by the chief financial officer, but in summary:

- **Cash generated from operations decreased to R158 million, but 8% higher than the more comparable result in 2020.**
- **Net profit of R107 million is up 3%.**
- **EBITDA of R241 million is significantly ahead of R156 million in 2021.**
- **Debt: equity ratio reduced by 31% over the past 12 months to 61%.**
- **EPS and HEPS are up 8% and 12% respectively.**
- **We invested R11.7 million via our share buyback programme to unlock value for shareholders.**
- **Insimbi resumed paying dividends at the interim stage, with a total FY23 dividend of 8 cents per share.**

The review period was characterised by extreme volatility, with prices for copper, aluminium and steel collapsing sharply mid-year, then recovering to end below their prior-year peaks.

Insimbi is reaping the benefits of recent operational changes to improve efficiency, including steadier revenue flows as recent acquisitions mature. As anticipated, this has produced more consistent financial performance within reporting periods, in contrast to our traditional first-half seasonal bias.

In addition, our diversification strategy has created a group with synergies and economies of scale that offset cyclicality in our key commodities. To illustrate, our 2019 acquisition of the Treppo Group positioned us among the market leaders for recycled ferrous metal, and contributed significantly to our growing local, regional, and global footprint. While its integration was delayed by the pandemic, once this process is complete, Treppo is expected to make a valuable and sustainable contribution to group results.

#### OUR OPERATING ENVIRONMENT

As illustrated, prices for most of our commodities were volatile but still high during the year. This benefits Insimbi's export and local revenue due to the US\$ base pricing of these commodities and an exchange rate that worked in our favour.

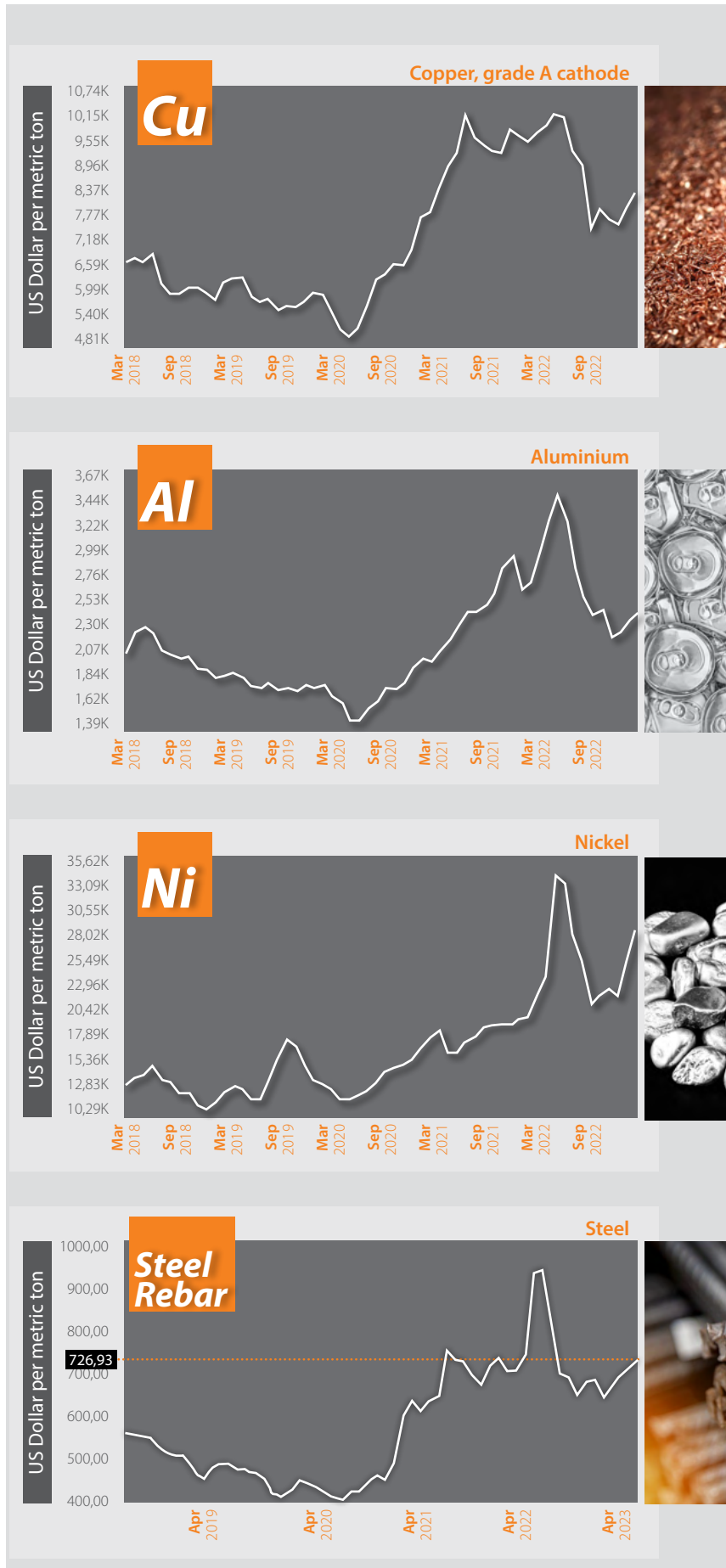


The global move to cleaner production and cleaner metals continues to gain traction. Cleaner metals are the cornerstone of our business, and we continue to find the appropriate balance between maintaining sales and rising raw material costs.

As widely anticipated by the industry, the South African government imposed a six-month ban on exports of ferrous and non-ferrous waste and scrap metal in November 2022. While the efficacy of this measure remains to be seen, it did improve the certainty of our regulatory environment and enabled companies to implement mitigating actions. For Insimbi, the ban primarily impacted our ferrous division. Again underlining the resilient and diversified nature of our group, we responded by streamlining these operations and adjusting the business model away from export and processing towards a brokerage model. Although the ban was less negative for our non-ferrous division, we have similarly adapted this business against the expectation that the ban has been extended by a further six months to March 2024.

As I noted last year, the rampant theft of infrastructure in the country is financially destructive and socially abhorrent, given its compounding impact on struggling communities. Insimbi fully supports realistic initiatives to curb or, better still, eradicate this scourge, but we believe a blanket ban on exports of recycled metal may well exacerbate the problem by simply channelling sales of stolen metals into the domestic market. This view was echoed by the European Union (EU), South Africa's largest trade partner, which believes a more effective first step would be to institute the necessary domestic policy tools to regulate the sale and purchase of scrap metal.

The challenges facing almost all divisions of the state transport utility, Transnet, have been well-documented. While some progress, albeit painfully slow, is being made, an ineffective national logistical infrastructure has serious fiscal implications for the country and its sizeable export markets. While Insimbi's exports account for around one-third of total revenue, logistical constraints primarily reflect in the additional cost of road transport. Given that sharp increases in petrol and diesel prices in 2022 could only partially be passed through to customers, we concentrated on optimising our road-freight costs.





## CHIEF EXECUTIVE OFFICER'S REPORT *continued*

From the already high base of 2021, South Africa faced another year of record loadshedding in 2022, as state power utility Eskom battled to keep the national grid stable amid constant outages at its ageing power plants. While Insimbi is largely able to operate normally through periods of zero or curtailed power, addressing the stability of Eskom must be the foremost national priority. Sustained economic growth is simply not possible without security of power supply.

### SEGMENTAL REVIEW

#### **Ferrous**

Our ferrous segment supplies raw material inputs to the local steel and stainless steel industries. As noted, we have realigned the focus of this segment in the wake of the ban on metal exports. Margins remain under pressure given the continued parallel preferential-pricing system for local steel mills by the International Trade Administration Commission (ITAC), which administers the import and export control regime across South Africa's borders. Volumes did improve which, combined with cost savings from restructuring Treppo, improved segmental performance for the year.

#### **Non-ferrous**

This segment performed well in its target markets which include the export, secondary aluminium, automotive and foundry industries. Prices for copper and aluminium-based non-ferrous metals remained high which, coupled with a volatile exchange rate during the review period, provided ongoing stimulus for this segment.

The global trend to eco-friendly battery-operated transportation is well entrenched. This is positive for our non-ferrous segment, which processes and provides a range of non-ferrous metals used in manufacturing electric vehicles.

#### **Refractory**

Our refractory business is a small component of revenue but provides important products and technical support to the platinum group metal (PGM) and steel industries. It again performed well, reflecting sustained demand particularly in its core focus area – supplying high-grade refractory materials for rotary kilns in the cement, and paper and pulp industries.

#### **Plastics**

The non-core Insimbi Plastics Proprietary Limited was closed in September 2022 and retrenchment packages paid to staff in full compliance with labour legislation. Negotiations for the sale of the asset and/or its equipment are advanced.

### OUTLOOK

The Insimbi group met the challenges of FY23 head on, proving its resilience in volatile conditions and the commitment of our teams. In summary, Insimbi has:

- Entrenched cost management as a core discipline and focus area.
- Enhanced its ability to adapt swiftly to changing circumstances and the economic environment, achieving more with less.
- Established the group as an industry leader in its target markets.
- Improved margins as a diversified industrial group.

Going forward, our focus remains on recycling and benefiting ferrous and non-ferrous metals for supply to local and export clients. The global focus on decarbonisation and vehicle electrification is supporting a recovery in copper and aluminium prices, in turn boosting our revenue and margins. In addition, working capital and cash flow throughout our operations have been very well managed, and we are steadily degearing our balance sheet. The risk of external disruptions obviously remains high, but we believe we have demonstrated the group's ability to withstand these in recent years.

The local economy remains fragile, with gross domestic product (GDP) growth of just 1,9% in 2022 in the wake of higher interest rates and inflation as well as a depreciating rand.

We are confident about the year ahead for our group. With recent acquisitions now integrated, our focus for the short to medium term is on growing organically by capitalising on available capacity without increasing fixed costs. A return to meaningful economic growth in South Africa and any progress on infrastructural development will generate additional tailwinds.

### APPRECIATION

This has been a very different review period to FY22 – just as challenging, but for different reasons. Our clarity of purpose is reinforced by excellent teams across the group working to deliver more with less, and we deeply appreciate their commitment. With your support, we are well equipped to face future challenges.

I also thank and recognise all our stakeholders including shareholders, customers, and suppliers. Your support is the cornerstone of our continued growth.



**Frederick Botha**  
Chief Executive Officer  
Johannesburg  
30 June 2023





“ Insimbi performed exceptionally well in these challenging times and the outlook remains optimistic. ”

## OVERVIEW

The 2023 financial year remained a challenging year with many local and global challenges and volatility in commodity prices and exchange rates. The group has streamlined its operations even further and to adapt to the ever-changing environment.

## REVENUE AND GROSS PROFIT

Group revenue decreased by 5% from R6,1 billion to R5,7 billion. This decrease is a result of the general uncertainty and volatility in the local and global market including:

- uncertainty regarding the much-debated ban on export of recycled material, which was eventually imposed on 30 November 2022.
- significant local port and logistical challenges experienced due to poor weather, civil unrest in various provinces and poor performance at the state-owned transport utility, Transnet.
- the Chinese lockdown Covid policy which was only lifted in early 2023; and
- the uncertainty in Europe as a result of the Russian invasion of Ukraine.

The lack of rail transport, and sharply increasing fuel prices, has led to an increase of 148% transport costs, when compared to the previous year. Despite this fact, margins only shrunk by 0,3% from 9,51% to 9,21% in the current year.

## OPERATING PROFIT AND COSTS

Operating expenses have reduced by 10% from R386 million to R349 million due to consolidation of operations and the subleasing of vacant portions of the premises. The consolidation has unfortunately also led to retrenchments. Including natural attrition employee related costs have decreased by 12%, or R26 million in the current financial year. Operating profit (R200 million) is therefore only 3% down on the previous year (R207 million).

## FINANCE COSTS

Finance costs decreased from R62 million to R59 million, despite the increase in the prime lending rate which increased from 7,5% at the end of February 2022 to 10,75% at the end of February 2023, due to a reduction in interest-bearing debt. Movements in financial liabilities indicates a net repayment of R18 million, however, if the increase in working capital facilities is considered, long term debt has reduced by R67 million in the current financial year.





#### PROPERTY, PLANT AND EQUIPMENT

The property portfolio has been revalued in the current financial year (in line with group accounting policy) and even though the commercial property market remains constrained, the group has recognised a small gain on the revaluation of properties.

#### WORKING CAPITAL

Trade and other receivables remained well controlled and at year end amounted to R609 million compared to R622 million at the previous financial year-end. The group has not experienced any major defaults on trade receivables. Inventories at year-end amounted to R305 million (2022: R328 million). Net working capital (Trade and other receivables + stock – trade and other payables) increased to R634 million compared to R586 million at the previous financial year end due to increased exchange rates and commodity prices in the last quarter of the year.

#### CASH FLOW AND GEARING

Cash generated from operations decreased from R236 million in 2022 to R158 million, due to the increased working capital cycle.

The debt-to-equity ratio at year end reduced to 61% from 80% in the 2022 financial year. More details can be found in the Annual Financial Statements in note 21 and note 39.

**Nadia Winde**  
Chief Financial Officer  
Johannesburg  
30 June 2023



## DIRECTORATE: EXECUTIVE DIRECTORS



### FREDERICK BOTHA (59)

*Chief Executive Officer: Insimbi Group*

Member of the Executive Committee, permanent invitee on the Remuneration and Nominations Committees, and member of the Investment Committee

*BCom (UCT), BCompt (Hons) (UNISA), Chartered Accountant (South Africa)*

Fred completed his articles with Coopers & Lybrand (now PricewaterhouseCoopers). Fred's experience includes both financial and operational positions in South Africa, Malawi and Zambia. He joined Insimbi in 2002 as Commercial Director and was appointed Financial Director in April 2014. Fred was subsequently appointed the Chief Executive Officer of the group on 1 June 2017. He is also integrally involved in vetting of investment opportunities, due diligences and making proposals to the board regarding acquisitions which meet the company's investment strategy criteria.

### NADIA WINDE (35)

*Chief Financial Officer*

Member of the Executive Committee,  
Member of the Investment and Social, Ethics and Transformation Committees

*BCom (University of Johannesburg), BComp (Hons) (University of Johannesburg),  
Chartered Accountant (South Africa)*

Nadia completed her articles with KPMG Inc. and has been with the group since 2014, during which time she has been in charge of Group finance including the compilation of interim financial results and the Integrated Annual Report and the related SENS announcements.

She was appointed to this position on 1 October 2020.



### ROBERT IAN DICKERSON (70)

*Chairman of the board, Independent Non-executive Director*

Chairman of the Nominations and the Investment Committees,  
Member of the Audit and Risk Committee, and  
the Social, Ethics and Transformation Committee

*BCom (UNISA)*

Robert is a seasoned businessman with experience of over 40 years. He is the founder of Dickerson Investments Proprietary Limited and is the former Chief Executive Officer and Group Chairman of the Fidelity Services Group. He has previously held senior financial, sales and marketing, and chief executive officer positions at the Chubb group of companies. He is currently a non-executive director of the Fidelity Security Group as well as a non-executive director of a number of other non-listed companies, including New Seasons Investment Holdings.

Robert joined the Insimbi board on 16 January 2017 and was appointed as Chairman of the board in December 2017.





## DIRECTORATE: NON-EXECUTIVE DIRECTORS



### NELSON MWALE (62)

*Non-executive Director*

Chairman of Remuneration Committee,  
Member of the Nominations and Investment Committees

*HDip (Mech Eng) (Technikon Witwatersrand), Diploma in Management (Henley),  
Management Advancement Programme (Wits Business School), MBA (Brunel, UK)*

Nelson's experience of more than 30 years' spans over manufacturing and, more recently, general management positions. He was a project engineer at Barlows Earthmoving Equipment Company, a technical engineer at Dorbyl Structures and a packaging manager (and general project manager) at South African Breweries.

Nelson is the former operations director and a shareholder of Namitech, the secure technology and solutions provider to key market focus areas. Nelson has vast experience in the West and East African markets and was instrumental in setting up the Namitech West Africa operation in Nigeria. He is currently the Chief Operating Officer of New Seasons Investment Holdings and serves on the boards and committees of numerous companies within the New Seasons investment portfolio. He was appointed to the board of Insimbi on 9 June 2016.

### CLEOPATRA SALAPHI NTSHINGILA (58)

*Independent Non-executive Director*

Chairperson of the Audit and Risk Committee, the Social,  
Ethics and Transformation Committee, and  
member of the Remuneration and Nominations committee

*BA (Law) LLB (University of Swaziland), H Dip Tax (Wits)*

Cleopatra 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 Programme (GIBS). Cleopatra formerly held the position of the General Manager to the Office of the Chief Executive of Transnet Freight Rail. She has served on several legal committees, as well as acting as 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. Her experience includes positions as non-executive director and/or chairperson of various listed and unlisted companies and board committees. She was appointed to the board of Insimbi on 7 July 2015.





**MATSELISO MADHLOPHE (37)**

*Group Company Secretary*

*Governance Practitioner (Chartered Governance Institute of Southern Africa)*

*Member (Compliance Institute South Africa)*

Matseliso started her career in Public Sector and joined Insimbi in April 2019 as Group Assistant Company Secretary.

Matseliso was appointed as the Group Company Secretary of Insimbi Group on 1 August 2020.



Our governance structures are aligned with the Companies Act 71 of 2008, JSE listing requirements, and King IV report. The board ensures that the company carries out its business in line with good governance principles, with the support of board sub-committees.

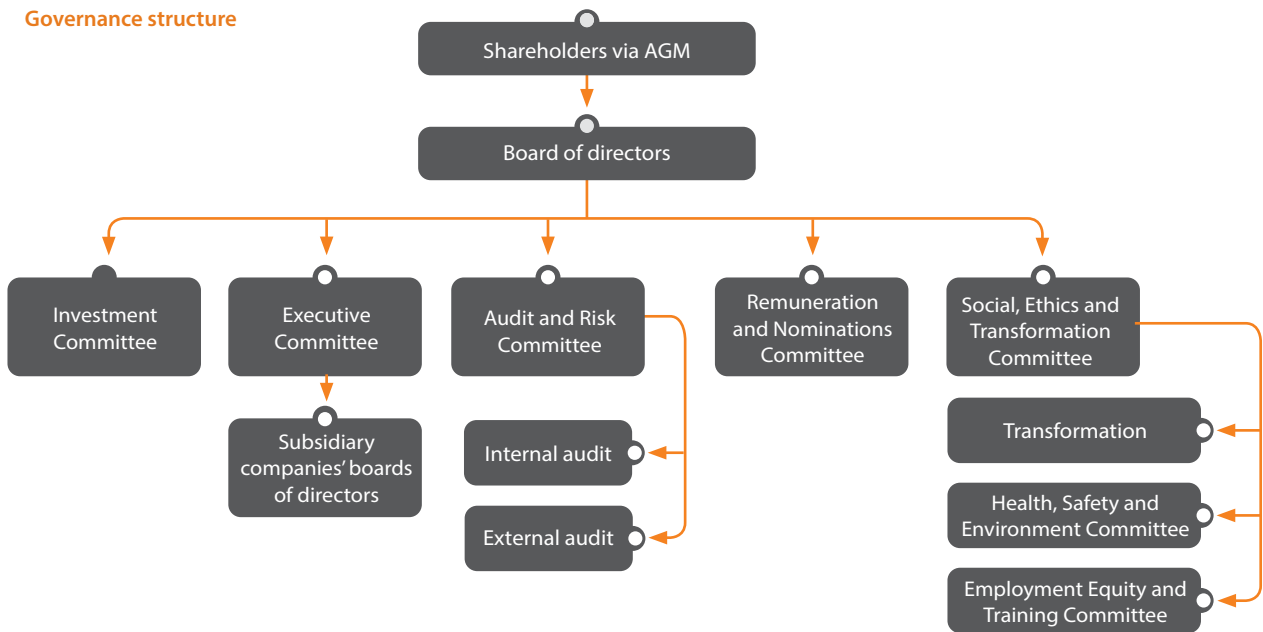
**GOVERNANCE STRUCTURE**

The board sets the direction for the group to realise its purpose, by providing strategic direction and holding management accountable for implementation. Please refer to the diagram below.

**Delegation of Authority and operational governance**

To ensure role clarity and an effective exercise of authority, a delegation of authority framework sets out those matters that are reserved for the board and those that are delegated to the CEO, CFO, and executive management.

**Governance structure**



**BOARD OF DIRECTORS**

**Board composition**

There have been changes to the board and board sub-committees in the 2022 financial year. Ms IP Mogotlane (non-executive director) resigned from the board, Audit and Risk Committee, and Social and Ethics Committee effective 18 January 2023. Mr C Coombs (executive director) resigned from the board effective 6 February 2023. The board comprises of three non-executive directors, two of whom are independent in terms of King IV's requirements, and two executive directors. Details of the directors with brief *curricula vitae* can be found from page 16 and 17.

**Diversity policy**

A Diversity Policy has been adopted because the board recognises and acknowledges that diversity leads to fruitful decision-making processes. At the time of reporting the board comprised of five members, one black female, one white female, one black male and two white males.

**Information technology (IT) and information governance**

The Audit and Risk Committee is responsible for IT governance on behalf of the board and reviews the reports from management to ensure that an adequate and effective IT system is maintained. The group IT manager oversees the



function and is responsible for reliable and secure IT systems, networks, and applications to ensure that uninterrupted business processes maximise operational efficiency. The corporate strategy is supported and embedded in the framework and strategy of IT policies and procedures.

**Board gender diversity**



**Board transformation**



**Chairperson of the board**

Mr RI Dickerson leads the board, ensuring that it fulfils its mandate and to the best interest of the company. The roles of Chairperson and Chief Executive Officer are separated and delineated, each with clearly defined responsibilities. Mr RI Dickerson has been the Chairperson since December 2017 and he is an independent non-executive director.

**The Independent board**

The board consists of independent non-executive directors who are not shareholders or affiliated with the group's executives. When required, the independent board provides vigilant oversight to mitigate risk and promotes shareholder value.

**Board evaluation**

The board undertakes assessment of its own effectiveness and performance annually by means of an evaluation questionnaire. Results of the evaluations demonstrate that

the board and the board committees have fulfilled their responsibilities.

**Board responsibilities**

The board provides leadership to the group, sets strategic direction and objectives, and promote the long-term success of the business. Strategies are cascaded through the divisions and into the operating procedures by the CEO and the Executive management.

The board, with input from the Audit and Risk Committee, is responsible for reviewing and approving the IAR, AFS and statutory reports to ensure all material issues are fairly represented.

The board through the Audit and Risk Committee identifies the group's key risk areas and key performance indicators and updates and reviews them regularly. Full information is supplied to the board and committee members, and they have unrestricted access to all company information, records, documents, and property.

The board's oversight role is ensured through board and committee meetings held in line with the terms of reference and annual plans.

**Attendance at board and committee meetings:**

	Board	Audit and Risk	Rem Com <sup>#</sup>	Social and Ethics	Investment
CF Botha	2*	n/a	n/a	n/a	n/a
F Botha	5	2*	1*	2*	0
C Coombs	1	n/a	n/a	n/a	0
RI Dickerson	5	2	1	n/a	0
EP Liechti	3*	n/a	n/a	1*	n/a
IP Mogotlane	3	2	n/a	2	n/a
N Mwale	3	n/a	1	n/a	0
CS Ntshingila	5	2	1	2	n/a
N Winde	5	2*	1*	2	0
<b>Total number of meetings</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>

<sup>#</sup> Remuneration and Nominations

\* attended by invitation

**BOARD COMMITTEES**

The delegation of authority to committees does not detract from the board's responsibility to discharge its fiduciary duties to the group. The committees assist the board in meeting the provisions of its charter, promote independent judgement and ensure a balance of power.



### **The Audit and Risk Committee**

#### **Terms of reference and functions**

The Audit and Risk Committee consists of three non-executive directors, all of whom comply with the requirements of section 94 of the Companies Act. The primary role of the Audit and Risk Committee is to perform independent oversight of the internal controls governing accounting, auditing, and financial reporting. The lead external and internal audit partners are invited to each Audit and Risk Committee meeting. Further, the committee meets with the internal and external auditors independently from management to ensure open discussions on the results of their examinations, their evaluation of the internal controls and the overall quality of the financial reporting.

The committee evaluates the independence of the external auditor, determines the effectiveness of the combined assurance model, and approves the internal audit plan.

The committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its terms of reference, the JSE Listings Requirements, the Companies Act and King IV requirements.

#### **Membership**

The Audit and Risk Committee during the year under review was chaired by Ms CS Ntshingila, with Mr RI Dickerson and Ms IP Mogotlane. Mr Mwale was appointed on 6 February 2023, after resignation of Ms IP Mogotlane on 18 January 2023.

#### **Meetings**

The committee held two meetings during the year under review, on 24 May 2022 and 25 November 2022.

#### **Auditors**

The group independent external auditors are Moore Cape Town Inc.

### **The Remuneration Committee**

The Remuneration Committee determines the remuneration policy of the group and more specifically, the remuneration of the executive directors. The committee also approves proposals in respect of certain incentive arrangements and annual salary increases. The committee recommends to the board the remuneration of non-executive directors for consideration and the board recommends for approval by shareholders at the annual general meeting of the company.

### **The Nominations Committee**

The Nominations Committee is responsible for the assessment and nomination of potential new directors and recommends to the board for appointments.

### **Membership**

The Remuneration and Nominations Committees consisted of three members who are non-executive directors, and the Group Chief Executive Officer as permanent invitee.

The Chairperson of the committee in respect of the Nominations and Remuneration Committees' responsibilities continued to be split. Mr N Mwale is responsible for the Remuneration Committee, while Mr RI Dickerson is responsible for the Nominations Committee. Ms CS Ntshingila is a member of both the Remuneration and Nominations Committees.

The report of the Remuneration and Nominations Committee, which contains a summary of the group's remuneration policy, is set out on page 24.

#### **Meetings**

The committee held one meeting during the year under review on 11 May 2022.

### **Social, Ethics and Transformation Committee**

To ensure compliance with the statutory regulations of the Companies Act, a Social, Ethics and Transformation Committee (SETC) was constituted. The responsibilities of the SETC are detailed in its terms of reference, which include its duties per the Companies Act, the JSE Listings Requirements and King IV, and other responsibilities allocated by the board. In terms of the JSE Listings Requirements, the SETC reports at the AGM on matters within its mandate. The SETC's full report can be found on page 23.

#### **Membership**

The Chairperson of the committee is Ms CS Ntshingila and was appointed upon the resignation of Ms IP Mogotlane on 18 January 2023. The other members are Mr RI Dickerson, Ms N Winde and Ms T Kletz. All other directors, the Human Resources Managers, Health and Safety Manager, and B-BBEE and Transformation Manager attend by invitation.

#### **Meetings**

The committee held meetings two times during the year under review on 2 March 2022 and 8 September 2022.

### **Investment Committee**

The Investment Committee forms a critical part of the corporate governance of the group. Its role is to ensure that the strategic capital investments made by the group (using both debt and equity instruments) represent good value for money for shareholders and that clear systems exist to take strategic financial decisions on the basis of the performance of these investments and their strategic value for the group.



### **Membership**

The members of the committee are Mr RI Dickerson as the Chairperson, Mr N Mwale, the Group Chief Executive Officer (Mr F Botha) and the Chief Financial Officer (Ms N Winde).

### **Meetings**

There was no meeting for the year under review.

### **ACCOUNTING AND AUDITING**

The board is responsible for ensuring that the group maintains adequate records and reports accurately and reliably on the financial position of the group and the results of its business activities. The external auditors are responsible for independently auditing and reporting on the financial statements in accordance with International Financial Reporting Standards (IFRS).

The annual financial statements were prepared under supervision of Ms N Winde CA(SA), Chief Financial Officer, and audited by Moore Cape Town Inc. in terms of the Companies Act, IFRS and the JSE Listings Requirements.

### **DIRECTORS' DEALINGS**

All directors and senior executives with access to financial and any other price-sensitive information are prohibited from dealing in Insimbi shares during "closed periods", as defined by the JSE rules. A formal email communication is distributed company-wide informing all employees and directors prior to closed periods. Directors are required to obtain clearance to deal in the company's shares from the chairman at all times.

### **CONFLICTS OF INTEREST**

In terms of King IV principle 7, each director is required to disclose any personal financial interest to preclude or manage conflicts of interest. In terms of the JSE Listings Requirements and section 56 of the Companies Act, each director discloses any direct and indirect interest in the share capital of the company. Where practicable to do so, the board assesses the materiality of the director's interest, but considers holdings of less than 5% as immaterial.

The board and employees are given guidance on how conflicts of interests may arise and how they should be addressed in its Code of Business Conduct and Conflicts of Interest policy. All material and potential conflicts of interests between a director and the company are declared and recorded at every board and committee meeting. Where a material or potential conflict arises, the matter is addressed according to the provisions of the Companies Act and the Code of Business Conduct and Conflicts of Interest policy. These matters are also reported to the shareholders at the

annual general meeting. For the period under review, there were no declaration of interest declared.

### **COMPANY SECRETARY**

The Group Company Secretary is accountable to the board on all governance and statutory matters, ensuring the proceedings and affairs of the board are properly administered in accordance with all applicable laws, advising directors on their duties and responsibilities and in this respect all directors have access to the services of the Group Company Secretary. The appointment and removal of the Group Company Secretary is a matter for the board as a whole.

Ms M Madhlophe was appointed in this position on 1 August 2020. The board considered and satisfied itself on the competence, qualifications, and experience of Ms M Madhlophe.

### **GOVERNING STAKEHOLDER RELATIONSHIPS**

Stakeholder engagement is actively managed at various levels within the group including at shareholder, board, and executive management levels. Insimbi places stakeholder inclusivity as a fundamental tenet within business. 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. The board is responsible for formalising strategies to enhance stakeholder relations with the company. Shareholders are encouraged to attend the annual general meeting, to be held on 6 July 2023 at 10:00, details of the annual general meeting are included in the notice of the meeting on page 103.

### **INTEGRATED REPORTING AND CONTINUOUS DISCLOSURE**

The company has a policy of continuous disclosure to ensure that directors provide information in a timely and accurate manner to all stakeholders.

The Company Secretary is responsible for liaising with the board to ensure that the company complies with its legal obligations.

The board acknowledges its responsibility to ensure the integrity of the integrated annual report, and its responsibility statement authorising the release of the integrated annual report appears on page 30 of this report.







**The committee is constituted in terms of section 72(4) of the Companies Act, JSE listing requirements and KING IV report. It operates under a formal mandate from the board and is guided by its own terms of reference.**

## MEMBERSHIP

During the reporting period, the committee consisted of two non-executive directors and one executive director. Other executives of the company attend committee meetings by invitation. Below is a summary of the committee members:

<p><b>Ms IP Mogotlane</b> <i>Non-executive director (Chairperson)</i></p> <p>Ms IP Mogotlane resigned from the committee effective 18 January 2023, and Mr RI Dickerson was appointed effective 6 February 2023.</p>	<p><b>Ms CS Ntshingila</b> <i>Non-executive director</i></p> <p>Upon resignation of Ms IP Mogotlane, Ms CS Ntshingila was appointed as the Chairperson.</p>	<p><b>Ms N Winde</b> <i>Executive director</i></p>
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The following individuals in management positions attended by invitation:

<p><b>Mr F Botha</b> <i>Group CEO</i></p>	<p><b>Mr EP Liechti</b> <i>Chief Executive Officer IAS and Health, Safety and Environment Representative</i></p>	<p><b>Ms L Kungoane</b> <i>B-BBEE and Transformation Manager</i></p>	<p><b>Ms V Burness</b> <i>Group Human Resources Manager</i></p>	<p><b>Ms M Burger</b> <i>AMGH division Human Resources Manager</i></p>	<p><b>Ms T Kletz</b> <i>Treppo division Human Resources/Legal</i></p>	<p><b>Ms V Janse v Rensburg</b> <i>SHE Manager</i></p>
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## COMMITTEE RESPONSIBILITIES

### Socio-economic development and corporate citizenship

Monitoring the group's standing regarding social and economic development, the Employment Equity Act, the Broad-based Black Economic Empowerment Act (B-BBEE), and ensuring good corporate citizenship. Through its learnership programmes, Insimbi is committed to the empowerment, development and growth of disadvantaged communities' youth.

### Health, safety, and the environment

Insimbi's executives, management and employees are committed to maintaining a safe and healthy working environment and focus on the training needs for all employees. The group strives to comply with all the relevant Acts and regulations. Regular inspections are performed to assess safety conduct and to test the effective implementation of safety controls. Risks have been identified and effective controls have been implemented. The group regularly measures the air emissions of all its operations in line with legislation and have adopted a strategy to reduce emissions in order to maintain compliance with the reduced levels requirements.

### Empowerment, transformation, and skills development

The group is committed to the promotion of employment equity and transformation in all its operations. The group implemented 10 new learnerships and funded both employed and unemployed learners with studies at numerous institutions of higher education through the

group bursary initiative during the financial year ending February 2023.

## LABOUR AND EMPLOYMENT

### Employment Equity and Training Committee

Each entity within the Insimbi Group has its own Employment Equity and Training Committee that consists of representation of all levels of employment and proper representation across all race groups and gender to ensure accurate representation and focus skills development. The committees met four times during the year under review.

## OWNERSHIP

The group black shareholding ownership for the year under review is 22.78%.

## STAKEHOLDER ENGAGEMENT

Insimbi strives to be a transparent corporate citizen. Insimbi's website contains a range of stakeholder-related information and presentations.

## COMMITTEE ASSURANCE

Insimbi's Social, Ethics and Transformation Committee is satisfied that it complied with its legal, regulatory, and other responsibilities during the current financial year.

**Ms CS Ntshingila**

Chair: Social, Ethics and Transformation Committee  
30 June 2023



## REMUNERATION AND NOMINATIONS COMMITTEE REPORT

*The Remuneration and Nominations Committee's report informs shareholders and other stakeholders of the work done by the committee in the period under review. Insimbi's remuneration strategy recognises that the ability to attract, retain and motivate employees is dependent upon remuneration, overall employee satisfaction, and performance. The approach adopted is designed to attract and retain people of quality who are capable of managing and growing the business.*

### PURPOSE

The purpose of the committee is to assist the board in its responsibility of setting, monitoring, reviewing, approving, and administering remuneration policies. To ensure that the group's executive directors and executive managers are fairly and responsibly rewarded for their individual contributions to the group's overall performance. To demonstrate to all stakeholders that the remuneration of executive managers of the group is set by a committee of the board who have no personal interest in the outcomes of their decisions and who will give due regard to the interests of the shareholders.

### REMUNERATION POLICY

The committee is responsible in an advisory and oversight capacity for the development and administration of the remuneration policy at all levels within the group in terms of its mandate. The remuneration of executive directors and senior management is determined on a total cost-to-company basis and is reviewed annually.

As required by King IV, the remuneration policy and implementation report will be tabled annually for separate non-binding advisory votes by shareholders at the AGM, and an engagement process will be conducted in the event

that either are voted against by 25% or more of the voting rights exercised at the meeting.

The company maintains a performance-based culture. The performance of executive directors and senior management is aligned with performance by the setting of key performance indicators (KPIs) and measurement of performance against such KPIs. The company has also implemented the same KPI structure for employees at all levels, under this reporting period.

Emoluments paid to executive directors and prescribed officers appear on page 91 of the integrated annual report.

### FIXED REMUNERATION

Insimbi applies discretion in all remuneration reviews and there is no guaranteed or minimum across-the-board increase to all employees. Gross remuneration adjustments for the 2023 financial year represent an increase of 3,5% over that of the prior year.

### NON-EXECUTIVE REMUNERATION

Insimbi non-executive directors' fees are paid on an annual retainer basis to account for the responsibilities borne by the





directors throughout the year. The non-executive directors receive fees for their services on the board and board committees, dependent on their attendance of meetings.

The group non-executive directors do not receive any short-term incentives, nor do they participate in the Employee Share Scheme, qualify for share options, or participate in any variable pay incentive schemes.

**SHAREHOLDERS' NON-BINDING ADVISORY VOTE**

In accordance with the recommendations of the King IV Report, resolutions on the remuneration policy and remuneration implementation report were presented for non-binding advisory voting by shareholders at the annual general meeting held on 6 July 2022 and the remuneration policy and remuneration implementation report received support at 95,81% of the votes.

**IMPLEMENTATION REPORT**

The annual financial statements of the group contain:

- the remuneration paid to the executive directors and prescribed officers of the company and its subsidiaries, while in office;
- bonuses paid to the executive directors and senior management of certain subsidiaries as authorised by the board and in accordance with the bonus policy;
- the remuneration paid to the non-executive directors of the company;

The remuneration and bonuses paid during the reporting period were in line with the remuneration policy of the group.

**PERFORMANCE AND RE-ELECTION**

In terms of the memorandum of incorporation, one-third of the non-executive directors should retire by rotation. Ms CS Ntshingila will retire by rotation at the annual general meeting scheduled for 6 July 2023 and will be eligible and has made herself available for re-election. The committee recommends Ms CS Ntshingila for re-election to the board.

**AUDIT AND RISK COMMITTEE**

Ms CS Ntshingila, Ms IP Mogotlane and Mr RI Dickerson were re-elected by the shareholders at the annual general meeting held 6 July 2022 as members of the Audit and Risk Committee, to serve for a one-year term, until the 2022 annual general meeting. Ms IP Mogotlane resigned on 18 January 2023 and Mr N Mwale was appointed effective 6 February 2023.

**APPROVAL**

This Remuneration and Nominations report has been approved by the board of directors of Insimbi.

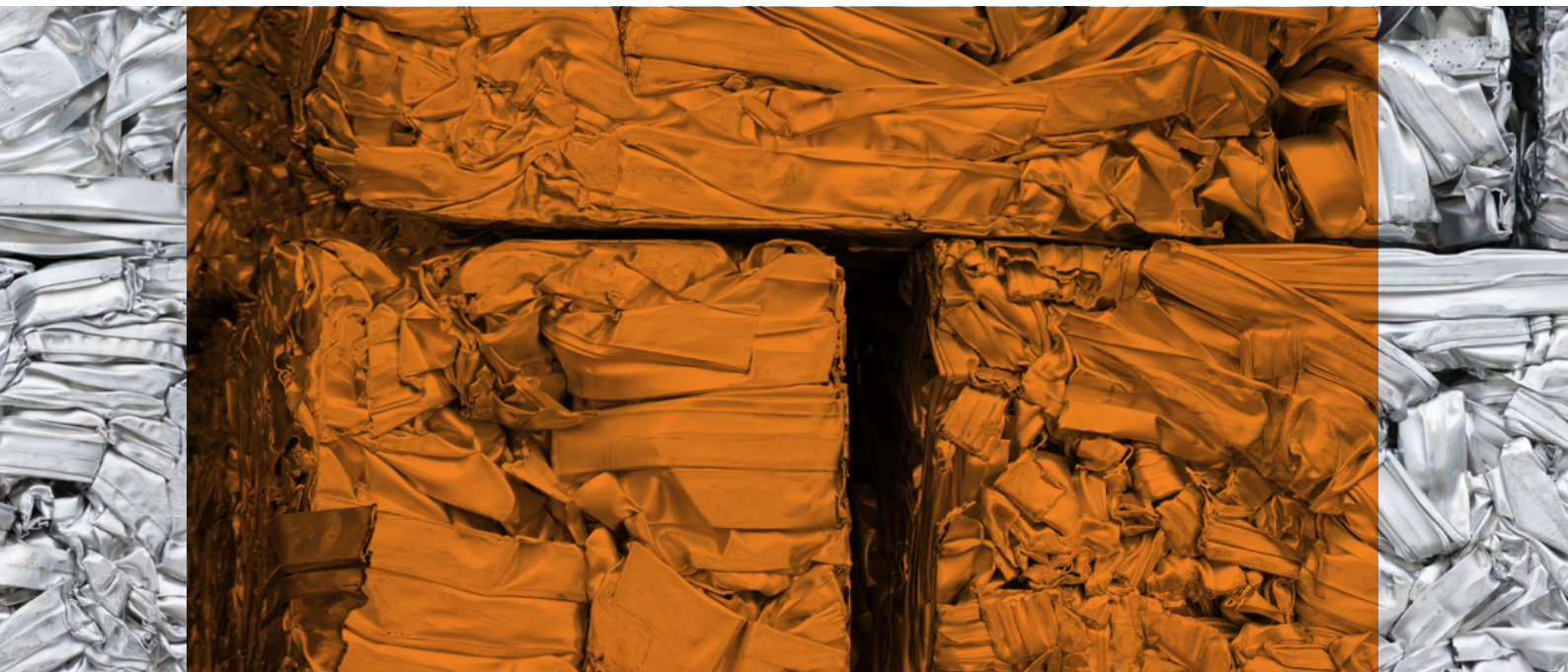


**RI Dickerson**

Chair:  
Nominations Committee  
30 June 2023

**N Mwale**

Chair:  
Remuneration Committee  
30 June 2023





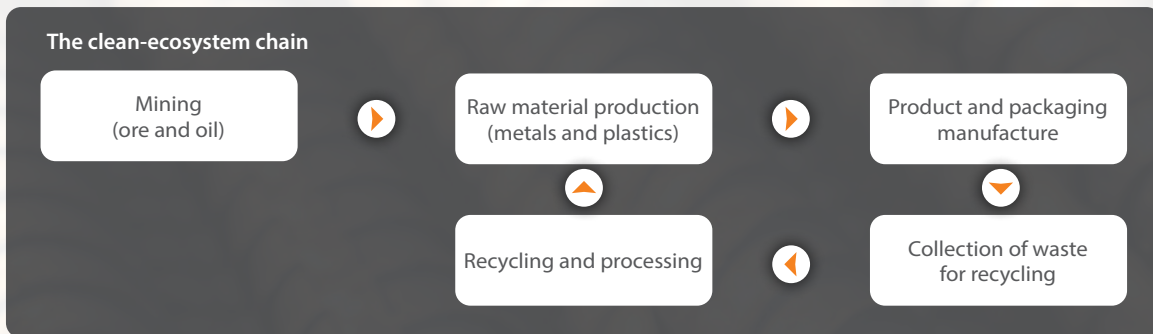
*Insimbi recognises the importance of fulfilling its corporate social responsibility, by considering its impact on the environment and society of which it operates in.*

*The company plays a role in reducing waste by clearing it through its recycling business. Our operations form an important part of the clean-ecosystem chain, by removing waste products from landfills and our water supply, and transforming them into usable materials.*

### The waste chain



### The clean-ecosystem chain



### Materials sourcing

As demonstrated in the diagrams above, there is a significant divergence between the “waste chain” method of business and the “clean-ecosystem chain” method.

The clean-ecosystem chain also reduces our dependency on mining to provide the raw materials needed for metals and plastics manufacturing. Metals mining and ore processing also has a significant environmental impact, using high levels of energy and chemical processes to extract the metal from the ore. By recycling metals, we reduce these levels of energy use and other environmental damage, while still enjoying the benefits of quality metals for manufacture.

### OUR POLICIES

#### Environmental policy

*It is our policy to:*

- assess our activities, products and services with respect to their environmental aspects and impacts and incorporate all practicable procedures and controls to prevent environmental damage and pollution;
- promote environmental awareness among our employees and encourage them to work in an environmentally responsible manner;
- promote efficient use of materials and resources throughout our facilities - including water, electricity,

raw materials and other resources - and reducing, reusing or recycling waste materials;

- avoid unnecessary use of hazardous materials and products, seek substitutions when feasible and take all reasonable steps to protect human health and the environment when such materials must be used, stored and disposed of;
- maximise control and, as far as possible, prevent the release of pollutants or other substances into the air, water or land; and
- promote water conservation in our facilities through rainwater harvesting, low-flow taps in wash basins, low-flow/energy-efficient shower heads and low-flush toilets, reuse of grey water, and repairing leaks immediately.

#### Waste management policy

We minimise our waste production through the principles of Reduction, Re-use, and Recycling throughout our operations, and ensuring that all operations and activities are fully compliant with all current waste management legislation.

The aims of our waste management policy are to:

- minimise waste production throughout the group; and
- operate within full compliance of environmental legislation.



The policy's objectives are to:

- identify areas of waste production;
- identify the most efficient methods of reducing waste production and maximising the reuse or recycling of waste material;
- manage the process to ensure compliance with best practice;
- through training and support, ensure that all staff are aware of their responsibilities under environmental law and how compliance can be achieved and maintained.

**THE SIX CAPITALS**

**Capitals model**

A brief outline of the capitals model (natural, human, social, manufactured, financial and intellectual capital) is included below. The sustainability of all aspects of the model has been considered.

**Natural capital**

Natural capital includes the natural resources and processes needed by Insimbi to produce its products. This includes renewable (such as water) and non-renewable (fossil fuels, minerals and metals) resources, and processes such as energy consumption, waste creation, emissions, etc. Without access to natural capital, Insimbi could not operate.

Our intrinsic business model is built around the preservation of the natural environment, and on reducing the country's dependence on newly-mined raw materials. Our "aboveground mining" approach directly and indirectly benefits the natural environment, making this capital vitally important to our business.

Insimbi maintains and enhances natural capital by:

- focusing our business operations on the collection and processing of recyclable materials;

- eliminating waste by reusing or recycling wherever possible;
- reducing our dependence on fossil fuel;
- protecting biodiversity and ecosystems;
- wherever possible using renewable resources for well managed and restorative ecosystems; and
- managing resources and reserves efficiently.

**Human capital**

Human capital includes health, safety knowledge, skills, intellectual outputs, motivation and the capacity for relationships of individuals.

To maintain sustainable performance, the group acknowledges the important role played by its employees. Organisations depend on individuals to function. A healthy, motivated, and skilled workforce is imperative to continuously improving and ensuring sustainable group performance. Intellectual capital and knowledge management is also recognised as a key intangible creator of wealth. Abuse of human rights or labour rights, or compromising health and safety, has direct negative impact on our human capital, as well as reputational costs.

**Training and development**

Development of our people is important to our business to ensure sustainability and proper succession planning. Ten Business Administration Learnerships, and four General Education Training Certificate (GETC) in Transport learnerships initiatives were implemented in the 2021/2022 financial year period, and numerous bursary funding to both employed and unemployed learners were granted to ensure continuous skills development across the group.

**Employment equity**

Our current employee breakdown by race and gender is as follows:

**Total Insimbi Group**

Occupational level	Group/Gender		Group/Gender		Group/Gender		Group/Gender		Total
	White		African		Indian		Coloured		
Level	Male	Female	Male	Female	Male	Female	Male	Female	
Top management	7	2	0	0	0	0	1	0	<b>10</b>
Senior management	7	6	2	0	0	1	1	0	<b>17</b>
Middle management	9	4	7	4	0	10	2	0	<b>36</b>
Junior management	11	12	13	19	1	3	0	3	<b>62</b>
Semi-skilled	22	10	164	16	0	1	4	1	<b>218</b>
Unskilled	6	5	87	23	0	1	2	1	<b>125</b>
<b>Grand total</b>	<b>62</b>	<b>39</b>	<b>273</b>	<b>62</b>	<b>1</b>	<b>16</b>	<b>10</b>	<b>4</b>	<b>468</b>



## Social and relationship capital

Social capital is any value added to the activities and economic outputs of an organisation by human relationships, partnerships, and cooperation. Organisations rely on social relationships and interactions to achieve their objectives. Organisations also rely on wider socio-political structures to create a stable society in which to operate, e.g., government and public services, effective legal systems, trade unions and other organisations.

To enhance social capital, we:

- contribute to open, transparent and fair governance;
- source material ethically, treat suppliers, customers and citizens fairly;
- respect and comply with all governing legislation;
- invest in social infrastructure;
- provide communication; and
- minimise any negative social impacts of our operations and maximise the positive impacts.

## Socio-Economic development

The Insimbi Group is committed to contributing to corporate social investments that uplift the communities in which we operate. We also assist staff via bursaries with funding their children's and dependant's education.

## Enterprise and Supplier Development

The Insimbi Group funded Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) that are 100% Black Owned, through the Supplier Development Programme. The funding provided to these beneficiaries is based on their individual enterprise or suppliers needs.

Under Enterprise Development, the group funded a 100% Black Female Owned EME company by purchasing Online Business Tools Software Systems for day-to-day accounting, payroll, HR, and Office Assistant solutions through the Lean Enterprise Acceleration Programme (LEAP) Enterprise Development Solution company.

## Manufactured capital

Manufactured capital in the trading context relates to the trading process and how it is conducted and the commodities which are being sourced and delivered to local and international customers.

We enhance our manufactured capital by:

- employing our infrastructure, technologies, and processes to use our resources most efficiently; and
- devising technology and management systems that reduce our waste emissions.

## Financial capital

Financial capital makes it possible for the other types of capital to be owned and traded and is representative of how successful the group has been at achieving the sustainable development of its natural, human, social or manufactured capital.

Sustainable organisations need a clear understanding of how financial value is created, in particular the dependence on other forms of capital. We enhance our financial capital through:

- effective management of risk;
- corporate governance structures;
- assessing the wider economic impacts of our activities on society; and
- continuously reviewing our processes and procedures to identify areas for possible improvement.

## Intellectual capital

Insimbi's intellectual property is protected through employment contracts and confidentiality agreements and/or licence agreements with external parties. These agreements establish ownership of and rights to trademarks, copyright, trade secrets, innovations, and inventions resulting from any dealings with the group. Where the group has identified potential infringements, it will not hesitate to take steps (including instituting legal proceedings) to protect its interests.

## Why the capitals matter to our sustainability

Commitment to the six capitals is more than a simple commitment to following guidelines and good business practice. It is a clearly defined path for us to follow towards creating a business that will be economically, environmentally and socially sustainable for the long term, by making a clear, detailed understanding of not only how each of the capitals affects our business, but how they interact with one another, we gain a deeper insight into our own motivations, methodologies and values. In turn, this allows us to build our business on a foundation that is strong and lasting.



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## DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements (the annual financial statements) and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. 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.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The group complies with the provisions of the Companies Act and operates in conformity with its Memorandum of Incorporation (MOI).

The directors have reviewed the group and company's cash flow forecast for the 16 months to 30 June 2024 and, in the light of this review and the current financial position, they are satisfied that the group and company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditor and their report is presented on pages 35 to 38.

The annual financial statements set out on pages 39 to 101 have been prepared on a going concern basis, under supervision of the Chief Executive Officer, Mr F Botha CA(SA) and the Chief Financial Officer, Ms N Winde CA(SA). The annual financial statements have been audited in compliance with the Companies Act 71 of 2008, and were approved by the board on 30 June 2023 and signed on its behalf by:



**F Botha**  
Chief Executive Officer  
Johannesburg  
30 June 2023

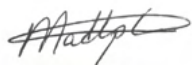


**N Winde**  
Chief Financial Officer  
Johannesburg  
30 June 2023



## CERTIFICATE BY COMPANY SECRETARY

In terms of section 88 of the Companies Act, I certify and confirm that the company has filed all such returns and notices as are required of a public company in terms of the Companies Act to be lodged with the Companies and Intellectual Property Commission, for the year ended 28 February 2023, and that all such returns and notices are true, correct and up to date.



**M Madhlophe**  
Company Secretary  
Johannesburg  
30 June 2023

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The directors, whose names are stated below, hereby confirm that –

- (a) the annual financial statements set out on pages 39 to 101, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies;
- (f) We are not aware of any fraud involving directors.



**F Botha**  
Chief Executive Officer  
Johannesburg  
30 June 2023



**N Winde**  
Chief Financial Officer  
Johannesburg  
30 June 2023

# AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk committee is a formal statutory committee in terms of the Companies Act. The committee functions within documented terms of reference and complies with relevant legislation, regulations, and governance codes. This report is presented to shareholders in compliance with the requirements of the Companies Act and King IV.

## THE COMMITTEE'S ROLES

The committee has an independent role, and it is accountable to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act, principles recommended by King IV and additional responsibilities assigned by the board.

## THE RESPONSIBILITIES OF THE COMMITTEE

### Risk management

Ensure the group has an effective policy and risk management plan, oversee the development and review of the enterprise risk management framework and enterprise risk management, ensure risk management is integrated into business operations, ensure risk management assessments are conducted on a continuous basis, express the committee's opinion on the effectiveness of the system and process of risk management.

### Combined assurance

Ensure that the combined assurance model addresses all significant risks facing the group, ensure the development and implementation of the combined assurance plan.

### Internal audit

Approve the annual internal audit plan.

### External audit

Nominate the external auditor for appointment by the shareholders, recommend to the board approval of the terms of engagement and remuneration of the auditor, ensure the appointment of the auditor complies with relevant legislation; monitor and report on the independence of the external Auditor, ensure a process is in place for the committee to be informed of any reportable irregularities identified by the external auditor.

### Information technology (IT) governance

Ensure that the company's governance and management system provide the integration of people, process, technology and information and management systems to enable the creation of value and support the achievement of the business' and organisation's strategic goals and ensure that there are adequate mechanisms to safeguard the company's information and that the group has measures in place to recover from any technological disruptions.

### Integrated reporting

Review the consolidated annual financial statements, interim report, preliminary results announcement, and summarised integrated information and ensure compliance with IFRS. Review and approve the appropriateness of accounting policies, disclosure policies and the effectiveness of internal financial controls, perform an oversight role on the group's integrated reporting and consider factors and risks that could affect the integrity of the integrated annual report, consider external assurance of material sustainability issues, and recommend the integrated annual report for approval by the board.

## **AUDIT AND RISK COMMITTEE REPORT** *continued*

The committee performed the following activities relating to the audit function during the year under review, in line with the duties required in terms of the Companies Act, King IV and the JSE Listings Requirements.

### **EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER**

The committee is satisfied that the expertise and experience of the CFO, Mrs N Winde is appropriate to meet the responsibilities required by the position. This is based on the qualifications, levels of experience and the board's assessment of the financial knowledge of the CFO.

### **JSE COMPLIANCE**

The committee noted and reviewed the JSE's latest report on the proactive monitoring of financial statements for compliance with IFRS. The committee noted the items that required consideration in respect of the preparation of the interim statements and AFS and applied these considerations in their review of AFS of the year under review.

### **RISK MANAGEMENT**

The committee oversaw the implementation of risk management plan an operational and strategic level with the assistance of the Internal audit officer. The committee closely monitored the company's risk register, key risks and mitigatory controls implemented in respect of these risks. The committee is satisfied with the processes and measures that have been put in place and the board will remain consistent in evaluating the company's risk tolerance and appetite levels.

### **INTERNAL FINANCIAL CONTROLS**

The committee has considered the company's system of internal financial controls and risk management, including the implementation and effectiveness of the internal financial controls, as conducted by the internal audit function during the period under review. The committee has also assessed information and explanations given by management and discussions with the external auditor on the results of the audit. Through this process, no material matter has come to the attention of the committee or the board that has caused the directors to believe that the company's system of internal controls and risk management is not effective.

### **EXTERNAL AUDIT**

The committee recommended to the board the approval of the external audit engagement letter, plan, and audit fees, reviewed the audit results, evaluated the effectiveness of the auditor and its independence, obtained a statement from the auditor on its independence. The external auditors have confirmed their responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements.

### **FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND GOING CONCERN**

Following the review of the consolidated annual financial statements of the group for the year ended 28 February 2023, the committee believes that, in all material respects, these comply with the relevant provisions of the Companies Act and IFRS. The committee has also satisfied itself on the integrity of the integrated annual report for the year ended 28 February 2023 and recommended it to the board for approval.


## AUDIT AND RISK COMMITTEE REPORT *continued*

### Committee composition and meetings

The following changes to the composition of the committee occurred with effect from 18 January 2023 and 6 February 2023, Ms Pamela Mogotlane resigned with effect from 18 January 2023 and Mr Nelson Mwale was appointed with effect from 6 February 2023. The committee has proposed that the following non-executive directors be appointed as committee members by the shareholders at the annual general meeting to be held on 31 July 2023: Ms CS Ntshingila (Chair), Mr RI Dickerson and Mr N Mwale. At the annual general meeting, the inclusion of the Chairman of the board as a member of the Audit Committee will specifically be brought to the attention of shareholders.

Details of membership of the committee can be found on page 21 in the corporate governance report.

### On behalf of the Audit and Risk Committee



CS Ntshingila  
Chair: Audit and Risk Committee  
30 June 2023

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of Insimbi Industrial Holdings Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### Our opinion

We have audited the consolidated and separate financial statements of Insimbi Industrial Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 44 to 101, which comprise the consolidated and separate statements of financial position as at 28 February 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Insimbi Industrial Holdings Limited and its subsidiaries as at 28 February 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# INDEPENDENT AUDITOR'S REPORT *continued*

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter (Group)	How our audit addressed the key audit matter
<p>Annual impairment assessment of goodwill – Refer to Accounting Policy Note 1.4, and Note 4.</p> <p>Goodwill with an indefinite useful life comprises 10.7% of total assets of the Group in the consolidated statement of financial position.</p> <p>As required by IAS 36 - Impairment of Assets, the directors conduct annual impairment assessments to test the recoverability of carrying amounts of goodwill, which are allocated to cash-generating units for the purpose of assessing impairment.</p> <p>Impairment assessments of goodwill is performed using a discounted cash flow model. There are a number of key judgements made in determining the inputs into the discounted cash flow model which include:</p> <ul style="list-style-type: none"> <li>• Revenue growth (including forecast profits of the cash-generating units and forecast sales);</li> <li>• Forecast profit and profit growth;</li> <li>• Perpetuity growth rates; and</li> <li>• The discount rates applied to the projected future cash flows.</li> </ul> <p>Given the significance of the goodwill to the consolidated financial statements and of the judgements involved in assessing any potential impairment, the impairment assessment of goodwill was considered to be a key audit matter.</p>	<p>We focused our testing of the directors' annual assessment of the impairment of goodwill on the model used and the key assumptions applied.</p> <p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Critically evaluating whether the discounted cash flow model used by the directors to calculate the value in use of the individual cash-generating units complies with the requirements of IAS 36, noting no aspects requiring further consideration.</li> <li>• Challenging the assumptions used by the directors in the calculations for each cash generating unit by: <ul style="list-style-type: none"> <li>• involving our internal valuation specialists, as part of our audit team, to evaluate and re-calculate the discount rates and evaluate the perpetuity growth rates in relation to external market data, and</li> <li>• assessing the reasonableness of assumptions relating to revenue growth and profit growth in relation to our knowledge of the Group and the industries in which it operates, and through performing the procedures on the projected cash flows as described below.</li> </ul> </li> <li>• Analysing the future projected cash flows for the individual cash-generating units to determine whether they are reasonable and supportable given the current macro-economic climate and expected future performance of each cash-generating unit.</li> <li>• Comparing the projected cash flows, including the assumptions relating to revenue growth rates, profit growth and perpetuity growth rates, against historical performance to test the accuracy of the directors' projections.</li> <li>• Subjecting the key assumptions to sensitivity analyses.</li> <li>• Evaluating the adequacy of the financial statement disclosures, including the disclosure of key assumptions made by the directors.</li> </ul> <p>Based on our work performed we noted no material differences and accepted management's forecasts as reasonable.</p>

We have determined that there are no key audit matters to communicate in our report for the Company.

# INDEPENDENT AUDITOR'S REPORT *continued*

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Insimbi Industrial Holdings Limited 2023 Integrated Annual Report", which includes the Directors' Report, Certificate by the Company Secretary, and the Audit and Risk Committee Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# INDEPENDENT AUDITOR'S REPORT *continued*

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Cape Town Inc. has been the auditor of Insimbi Industrial Holdings Limited for 3 years.

*Moore Cape Town*

**Moore Cape Town Inc.**  
**Chartered Accountants (SA)**  
*Registered Auditors*

**Per: Pierre Johannes Conradie**  
**Director**  
Chartered Accountant (SA)  
Registered Auditor

30 June 2023

2<sup>nd</sup> Floor Block 2  
Northgate Park  
Paarden Eiland  
7406



# DIRECTORS' REPORT

The directors are pleased to present their report on the activities of the company and the group for the year ended 28 February 2023. The consolidated financial statements for the year ended 28 February 2023 were approved by the directors at a meeting held on 30 June 2023.

Insimbi Industrial Holdings Limited ("Insimbi") is a public company incorporated in South Africa and listed on the JSE. Insimbi provides the steel, aluminium, cement, foundry, plastics, paper and pulp 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.

## GENERAL REVIEW

Insimbi continues to operate from premises in Johannesburg, Durban and Cape Town, including the AMR group active from sites in Devland, Booyens and Roodepoort on the West Rand and Group Wreck in Phoenix and Queensburgh in KwaZulu-Natal. In November 2019 Insimbi acquired the Treppo group which operates in Johannesburg and KwaZulu-Natal. Insimbi has exported goods and materials across the world, including South America (Argentina and Brazil), Australia, Middle East (Bahrain, Israel and UAE), China and Asia (Hong Kong, India, Malaysia, Singapore and Taiwan), elsewhere in Africa (Angola, Botswana, Democratic Republic of Congo, Ghana, Kenya, Malawi, Mozambique, Namibia, Nigeria, Republic of the Congo, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe), Europe (Germany, Spain, Sweden and Switzerland) and the USA.

The financial results of the group and the company for the year ended 28 February 2023 are set out herein with commentary in the Chairman's, CEO's, and CFO's reports.

## SHARE CAPITAL

The issued share capital at year-end was 384 472 912 shares.

After year-end, a further 5 985 591 shares were delisted and cancelled, bringing the issued share capital to 378 487 321 shares at the date of the announcement.

## DIVIDEND

An interim gross dividend of 3 cents per share has been declared by the board on 18 October 2022, and was paid on 7 November 2022. The board has declared a final dividend of 5 cents per share, bringing the total dividend declared for the period to 8 cents per share.

## EVENTS AFTER THE REPORTING PERIOD

There are no material facts or circumstances after 28 February 2023 that will affect the results being reported.

## COMPLIANCE WITH KING IV

The Insimbi Group is committed to the principles of effective corporate governance and complies substantially with the principles of King IV. During the forthcoming year, Insimbi will be updating its analysis of compliance with King IV and developing a project to address any areas identified for improvement.

## SPECIAL RESOLUTIONS ADOPTED BY THE COMPANY

At the annual general meeting held on 6 July 2022, the following special resolutions were passed. It was resolved that:

- The non-executive directors' fees be increased by 4,8%.
- The directors be authorised to re-purchase up to 20% of the company shares subject to certain conditions.
- The directors are authorised to provide direct or indirect financial assistance to a related or inter-related company or corporation, or to a member of a related or inter-related company or corporation, subject to section 45 subsections (3) and (4) and section 44 subsections (1), (2) and (3) of the Act and the Listings Requirements.

## DIRECTORS' REPORT *continued*

### INTERESTS IN SUBSIDIARIES

As at 28 February 2023, Insimbi held the following interests in the subsidiaries listed below:

Name of subsidiary	Par value of issued shares	Percentage holding	Percentage holding	Indebtedness	Indebtedness
		2023 %	2022 %	2023 R'000	2022 R'000
Insimbi Alloy Supplies Proprietary Limited	100 ordinary shares of R1 each	100	100	189 296	163 694
Insimbi Alloy Properties Proprietary Limited	100 ordinary shares of R1 each	100	100	20 296	11 022
Insimbi Refractory and Alloy Supplies Limited, incorporated in Zambia*	10 ordinary shares of K1 000 each	10	10	–	–
Insimbi EmployeeCo Proprietary Limited <sup>^</sup>	1 000 ordinary shares of R0,01 each	100	0,01	–	2
Insimbi Manco Proprietary Limited <sup>^</sup>	1 000 ordinary shares of no par value	0,02	0,02	–	2
Amalgamated Metal Group Holdings Proprietary Limited*	20 000 ordinary shares of no par value	23,31	23,31	–	–
Treppo Group Proprietary Limited	283 ordinary shares of R1 each	100	100	74 662	69 636
<b>Interest in subsidiaries through Insimbi Alloy Supplies Proprietary Limited</b>					
Insimbi Aluminium Alloys Proprietary Limited	100 ordinary shares of R1 each	100	100	65 800	43 550
Insimbi Nano Milling Proprietary Limited	100 ordinary shares of no par value	100	100	–	663
Insimbi Refractory and Alloy Supplies Limited, incorporated in Zambia*	90 ordinary shares of K1 000 each	90	90	–	–
Insimbi Plastics Proprietary Limited <sup>#</sup>	200 ordinary shares of R1 each	–	100	–	31 275
Amalgamated Metals Group Holdings Proprietary Limited*	65 808 ordinary shares of no par value	76,69	76,69	2 227	2 227
Zinc Company No 1 Proprietary Limited <sup>§</sup>	3 500 000 ordinary shares of R1 each	–	70	–	–

\* Effectively 100% holding within the group ^ Special purpose entities under control of the group

# In the current financial year a decision was made to exit the Company's non-core operation, Insimbi Plastics Proprietary Limited and to dispose of its assets.

§ The company was dormant, and has been deregistered in the current financial year, therefore the shareholding is zero.

## DIRECTORS' REPORT *continued*

### INTERESTS IN SUBSIDIARIES CONTINUED

Name of subsidiary	Par value of issued shares	Percentage holding	Percentage holding	Indebted-ness	Indebted-ness
		2023 %	2022 %	2023 R'000	2022 R'000
<b>Interest in subsidiaries through Insimbi Alloy Properties Proprietary Limited</b>					
Metlite Alloy Properties Proprietary Limited	100 ordinary shares of R1 each	100	100	–	(1 027)
M2M Properties Proprietary Limited	100 ordinary shares of no par value	100	100	–	–
<b>Interest in subsidiaries through Insimbi Aluminium Alloys Proprietary Limited</b>					
Minerals 2 Metals Proprietary Limited	1 000 ordinary shares of R1 each	100	100	–	–
<b>Interests in subsidiaries through Amalgamated Metals Group Holdings Proprietary Limited*</b>					
Group Wreck International Non-ferrous Proprietary Limited	3 060 B Class shares with no par value	100	100	–	–
Amalgamated Metals Recycling Proprietary Limited	100 ordinary shares of no par value	100	100	(27 818)	9 229
Amalgamated Metals Recycling West Rand Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
Amalgamated Metals Recycling SA Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
Spring Lights 1135 Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
Zamsaf Properties Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
<b>Interest in subsidiaries through Treppo Group Proprietary Limited</b>					
Bulk Ferrous Exports Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
Fragcorp Proprietary Limited	100 ordinary shares of R1 each	100	100	12 000	12 000
Metfurco Trading Proprietary Limited	100 ordinary shares of R1 each	100	100	–	–
Steelco Broking Proprietary Limited	200 ordinary shares of R1 each	100	100	–	–

\* Effectively 100% holding within the group ^ Special purpose entities under control of the group

# In the current financial year a decision was made to exit the Company's non-core operation, Insimbi Plastics Proprietary Limited and to dispose of its assets.

§ The company was dormant, and has been deregistered in the current financial year, therefore the shareholding is zero.

### DIRECTORATE

In accordance with the company's memorandum of incorporation Mr N Mwale retires by rotation at the forthcoming annual general meeting but, being eligible, offers himself for re-election. A brief biographical note on Mr N Mwale may be found on page 17 of this report.

## DIRECTORS' REPORT *continued*

### DIRECTORS' AND PRESCRIBED OFFICERS' INTERESTS

As at 28 February 2023, the directors' and prescribed officers' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company amounted to 47,89% (2022: 50,81%) in aggregate. The interests of the directors and prescribed officers are as follows:

	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Directors</b>								
F Botha	–	36 847 300	36 847 300	–	–	–	288 376	288 376
C Coombs	–	–	21 950 200	21 950 200	–	–	–	–
N Mwale	–	–	–	–	–	–	82 000 000*	82 000 000*
IP Mogotlane	–	–	–	–	–	–	82 000 000*	82 000 000*
RI Dickerson	–	–	–	–	–	–	82 000 000*	82 000 000*
<b>Prescribed officers</b>								
CF Botha	23 680 754	26 940 034	–	–	–	–	250 000	250 000
EP Liechi	19 517 724	24 000 000	–	–	–	–	250 000	250 000
S Green	113 426	–	–	–	–	–	–	–
<b>Total</b>	<b>43 311 904</b>	<b>87 787 334</b>	<b>58 797 500</b>	<b>21 950 200</b>	<b>–</b>	<b>–</b>	<b>788 376</b>	<b>82 788 376</b>

\* 82 000 000 shares held by New Seasons Investment Holdings Proprietary Limited; not by individual directors (now K2017289277 (South Africa) Proprietary Limited – NS InvestCo)

There have been no changes to the Directors' and Prescribed Officer's interests between 28 February 2023 and the date of this report.

The current EmployeeCo and ManCo share ownership schemes do not involve direct ownership in Insimbi by management, as the portion of shares that have vested, had been settled in cash, and not in shares.

### DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

Emoluments paid to directors and prescribed officers of the group are as set out below:

	Fees	Salary	Expense allow-ances*	Pension	Incentive bonus	Share-based payments	Total	Total
				fund contri-butions				
				2023				
	2023	2023	2023	2023	2023	2023	2022	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Executive</b>								
F Botha	–	3 663	1 327	–	4 722	–	9 712	8 009
C Coombs <sup>1</sup>	–	3 786	193	–	3 289	–	7 268	6 347
N Winde	–	2 174	9	223	2 315	167	4 888	2 396
<b>Total executive</b>	<b>–</b>	<b>9 623</b>	<b>1 529</b>	<b>223</b>	<b>10 326</b>	<b>167</b>	<b>21 868</b>	<b>16 752</b>
<b>Non-executive</b>								
RI Dickerson	676	–	–	–	–	–	676	643
IP Mogotlane <sup>2</sup>	314	–	–	–	–	–	314	395
N Mwale	393	–	–	–	–	–	393	362
C Ntshingila	455	–	–	–	–	–	455	449
<b>Total non-executive</b>	<b>1 838</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 838</b>	<b>1 849</b>

\* Includes medical aid and travel allowances.

<sup>1</sup> Resigned as director on 6 February 2023 to maintain the balanced composition and level of independence of the Board.

<sup>2</sup> Resigned 18 January 2023.

## DIRECTORS' REPORT *continued*

### DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS CONTINUED

	Fees	Salary	Expense allow- ances*	Pension fund contri- butions	Incentive bonus	Share- based payments	Total	Total
	2023	2023	2023	2023	2023	2023	2023	2022
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Prescribed officers</b>								
EP Liechti	–	3 103	498	–	2 712	–	6 313	3 114
CF Botha	–	2 460	799	–	345	–	3 604	2 861
D de Beer	–	2 674	129	20	384	292	3 499	2 567
S Green	–	1 968	252	211	700	375	3 506	2 382
CM Lindeque <sup>3</sup>	–	1 057	233	129	1 645	–	3 064	2 650
M Oppert <sup>4</sup>	–	1 716	17	–	–	–	1 733	3 365
A Oppert <sup>5</sup>	–	893	–	–	–	–	893	1 787
B Antonio <sup>6</sup>	–	1 659	59	–	273	–	1 991	–
K Rossouw <sup>7</sup>	–	655	–	–	108	–	763	–
<b>Total prescribed officers<sup>8</sup></b>	–	16 185	1 987	360	6 167	667	25 366	18 726
<b>Total</b>	1 838	25 808	3 516	583	16 493	834	49 072	37 327

\* Includes medical aid and travel allowances.

1 Resigned as director on 6 February 2023 to maintain the balanced composition and level of independence of the Board.

2 Resigned 18 January 2023.

3 Resigned 15 December 2022.

4 Retired 30 August 2022.

5 Retired 30 August 2022.

6 Appointed as director of subsidiary on 1 September 2022.

7 Appointed as director of subsidiary on 1 September 2022.

8 Paid by the relevant subsidiary.

### AUDITOR

Moore Cape Town Incorporated continues as the group auditor for the 2023 financial year end.

### GOING CONCERN

The directors have reviewed the group's cash flow forecast for the 16 months to 30 June 2024 and, in light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors are of the view that Insimbi is a going concern.

### ADDRESSES:

#### Physical address

Stand 359  
Crocker Road  
Wadeville  
Extension 4  
Germiston  
1407  
Gauteng

#### Postal address

PO Box 14676  
Wadeville  
Germiston  
1422  
Gauteng

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2023

	Note	GROUP		COMPANY	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
Revenue	24	5 731 423	6 058 535	30 369	35 759
Cost of sales	25	(5 203 766)	(5 482 429)	(388)	(492)
<b>Gross profit</b>		<b>527 657</b>	576 106	<b>29 981</b>	35 267
Other operating income	26	19 939	14 751	20 436	–
Other operating gains/(losses)	27	721	1 147	(22 325)	–
Other operating expenses		(348 526)	(385 500)	(8 979)	(30 733)
<b>Operating profit</b>	28	<b>199 791</b>	206 504	<b>19 113</b>	4 534
Investment income	29	611	723	37 163	14 995
Finance costs	30	(58 604)	(62 206)	(24 526)	(23 307)
Income from equity-accounted investments		5 067	4 614	–	–
<b>Profit before taxation</b>		<b>146 865</b>	149 635	<b>31 750</b>	(3 778)
Taxation	31	(39 522)	(45 389)	(2 008)	855
<b>Profit for the year</b>		<b>107 343</b>	104 246	<b>29 742</b>	(2 923)
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Gains on property revaluation (net of taxation)		1 760	–	–	–
<b>Total comprehensive income for the year</b>		<b>109 103</b>	<b>104 246</b>	<b>29 742</b>	<b>(2 923)</b>
<b>Earnings per share for profit attributable to equity holders</b>					
<b>Per share information</b>					
Basic earnings per share (c)	32	27,94	25,91	–	–
Diluted earnings per share (c)	32	27,62	24,93	–	–

The accounting policies on pages 48 to 62 and the notes on pages 63 to 99 form an integral part of the annual financial statements.

# STATEMENTS OF FINANCIAL POSITION

for the year ended 28 February 2023

	Note	GROUP		COMPANY	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	362 559	392 268	7 785	5 718
Goodwill	4	170 484	170 484	–	–
Intangible assets	5	6 669	7 140	–	–
Investments in subsidiaries	6	–	–	129 361	137 371
Investments in joint ventures	7	2 856	1 513	–	–
Finance lease receivables	9	2 183	2 511	–	–
Deferred taxation	11	24 840	11 125	1 344	3 352
		569 591	585 041	138 490	146 441
<b>Current assets</b>					
Inventories	12	304 596	327 713	–	–
Lease receivable	9	337	337	–	–
Loans to group companies	8	–	–	364 281	343 300
Trade and other receivables	13	608 564	622 309	2 821	3 156
Derivatives	14	3 626	–	–	–
Current taxation receivable		823	3 970	–	–
Cash and cash equivalents	15	97 076	57 379	1	–
Assets in disposal groups classified as held for sale	16	8 249	–	17 770	–
		1 023 271	1 011 708	384 873	346 456
<b>Total assets</b>		<b>1 592 862</b>	<b>1 596 749</b>	<b>523 363</b>	<b>492 897</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	17	196 236	208 002	204 047	230 477
Reserves		45 743	51 985	3 600	7 166
Retained income		460 162	356 184	(50 317)	(67 999)
		702 141	616 171	157 330	169 644
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities at amortised cost	21	173 794	199 220	126 400	109 807
Lease liabilities	22	11 997	14 647	–	–
Deferred taxation	11	54 731	37 261	–	–
Contingent consideration		–	870	–	–
		240 522	251 998	126 400	109 807
<b>Current liabilities</b>					
Trade and other payables	23	278 884	363 668	6 157	18 144
Loans from group companies	20	–	–	27 818	1 027
Financial liabilities at amortised cost	21	355 029	350 868	204 313	191 332
Derivatives	14	1 134	312	–	–
Lease liabilities	22	2 474	2 887	–	–
Current tax payable		12 678	10 845	1 345	2 943
		650 199	728 580	239 633	213 446
<b>Total liabilities</b>		<b>890 721</b>	<b>980 578</b>	<b>366 033</b>	<b>323 253</b>
<b>Total equity and liabilities</b>		<b>1 592 862</b>	<b>1 596 749</b>	<b>523 363</b>	<b>492 897</b>

The accounting policies on pages 48 to 62 and the notes on pages 63 to 99 form an integral part of the annual financial statements.

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2023

	Share capital and premium R'000	Treasury shares R'000	Total share capital R'000	Revaluation reserve R'000	Share-based payment reserve R'000	Retained income/ (accumulated loss) R'000	Total equity R'000
<b>GROUP</b>							
Balance at 29 February 2021	230 627	(22 125)	208 502	44 819	5 918	253 186	512 425
Profit for the year	–	–	–	–	–	104 246	104 246
Transfer between reserves	–	–	–	–	1 248	(1 248)	–
Purchase of own/treasury shares	(500)	–	(500)	–	–	–	(500)
Total changes	(500)	–	(500)	–	1 248	102 998	103 746
Balance at 28 February 2022	230 127	(22 125)	208 002	44 819	7 166	356 184	616 171
<b>Total comprehensive income for the year</b>	–	–	–	<b>1 760</b>	–	<b>107 343</b>	<b>109 103</b>
<b>Dividend paid</b>	–	–	–	–	–	<b>(11 367)</b>	<b>(11 367)</b>
<b>Shares delisted and cancelled</b>	<b>(23 932)</b>	<b>23 932</b>	–	–	–	–	–
<b>Transfer between reserves</b>	–	–	–	<b>(4 436)</b>	<b>(3 566)</b>	<b>8 002</b>	–
<b>Purchase of own/treasury shares</b>	–	<b>(11 766)</b>	<b>(11 766)</b>	–	–	–	<b>(11 766)</b>
<b>Total changes</b>	<b>(23 932)</b>	<b>12 166</b>	<b>(11 766)</b>	<b>(2 676)</b>	<b>(3 566)</b>	<b>103 978</b>	<b>85 970</b>
<b>Balance at 28 February 2023</b>	<b>206 195</b>	<b>(9 959)</b>	<b>196 236</b>	<b>42 143</b>	<b>3 600</b>	<b>460 162</b>	<b>702 141</b>
<b>COMPANY</b>							
Balance at 29 February 2021	230 627	–	230 627	–	5 918	(63 828)	172 717
Profit for the year	–	–	–	–	–	(2 923)	(2 923)
Transfer between reserves	–	–	–	–	1 248	(1 248)	–
Purchase of own/treasury shares	(150)	–	(150)	–	–	–	(150)
Total changes	(150)	–	(150)	–	1 248	(4 171)	(3 073)
Balance at 28 February 2022	230 477	–	230 477	–	7 166	(67 999)	169 644
<b>Profit for the year</b>	–	–	–	–	–	<b>29 742</b>	<b>29 742</b>
<b>Dividend paid</b>	–	–	–	–	–	<b>(12 060)</b>	<b>(12 060)</b>
<b>Realisation of reserves</b>	–	–	–	–	<b>(3 566)</b>	–	<b>(3 566)</b>
<b>Purchase of own/treasury shares</b>	<b>(26 430)</b>	–	<b>(26 430)</b>	–	–	–	<b>(26 430)</b>
<b>Total changes</b>	<b>(26 430)</b>	–	<b>(26 430)</b>	–	<b>(3 566)</b>	<b>17 682</b>	<b>(12 314)</b>
<b>Balance at 28 February 2023</b>	<b>204 047</b>	–	<b>204 047</b>	–	<b>3 600</b>	<b>(50 317)</b>	<b>157 330</b>
Notes	17	17	17	19	18		

The accounting policies on pages 48 to 62 and the notes on pages 63 to 99 form an integral part of the annual financial statements.



# STATEMENTS OF CASH FLOWS

for the year ended 28 February 2023

	Note	GROUP		COMPANY	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Cash flow from operating activities</b>					
Cash generated from/(utilised in) operations	33	157 748	235 787	(48 703)	(50 329)
Interest income	29	611	416	–	1
Tax paid	34	(27 549)	(49 814)	(1 598)	(249)
<b>Net cash from / (utilised in) operating activities</b>		<b>130 809</b>	186 389	<b>(50 301)</b>	(50 577)
<b>Cash flow from investing</b>					
Additions to property, plant and equipment	3	(18 088)	(11 767)	(268)	(636)
Proceeds on disposal of property, plant and equipment	3	25 333	41 444	–	–
Dividend from investment in joint venture	7	3 724	4 614	–	–
Investment in subsidiaries	6	–	–	(2 780)	–
Loans advanced to group companies	8	–	–	(1 630 556)	(1 275 565)
Loans advanced to group companies repaid	8	–	–	1 670 682	1 513 780
Dividends received from subsidiaries		–	–	10 532	–
<b>Net cash from investing activities</b>		<b>10 969</b>	34 291	<b>47 610</b>	237 579
<b>Cash flow from financing activities</b>					
Purchase of treasury shares	17	(11 766)	(500)	(9 222)	(150)
Dividend paid	36	(11 367)	–	(12 060)	–
Proceeds from financial liabilities	21	111 719	111 822	81 196	–
Repayment of financial liabilities	21	(129 328)	(280 621)	(31 670)	(163 834)
Proceeds from loans from group companies	35	–	–	10 153	1 999
Repayment of loans from group companies	35	–	–	(11 179)	(1 747)
Finance costs	30	(58 604)	(60 270)	(24 526)	(23 307)
Principal elements of lease payments		(2 735)	(2 183)	–	–
<b>Net cash (utilised in) / from financing activities</b>		<b>(102 081)</b>	(231 752)	<b>2 692</b>	(187 039)
<b>Total cash movement for the year</b>		<b>39 697</b>	(11 072)	<b>1</b>	(37)
Cash at the beginning of the year	15	57 379	68 451	–	37
<b>Total cash at end of the year</b>		<b>97 076</b>	57 379	<b>1</b>	–

The accounting policies on pages 48 to 62 and the notes on pages 63 to 99 form an integral part of the annual financial statements.

# ACCOUNTING POLICIES

for the year ended 28 February 2023

## CORPORATE INFORMATION

Insimbi Industrial Holdings Limited is a public company incorporated and domiciled in South Africa.

The consolidated and separate financial statements for the year ended 28 February 2023 were authorised for issue in accordance with a resolution of the directors on 30 June 2023.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

#### 1.1 Basis of preparation

The consolidated and separate financial statements (the financial statements) have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these financial statements, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listing Requirements and the Companies Act, 71 of 2008 of South Africa, as amended.

The financial statements have been prepared on a historical cost basis, except for items specifically stated otherwise as per the accounting policies below.

These accounting policies are consistent with the previous period.

#### 1.2 Consolidation

##### Basis of consolidation

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation.

#### 1.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

##### Joint ventures

An interest in a joint venture is accounted for using the equity method. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the joint venture, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the group's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

#### Lease term as lessee

Judgement is applied in assessing whether or not is reasonably certain renewal options on leases will be exercised or terminated. This assessment is performed on an ongoing basis, as new facts or circumstances arise. (refer to note 3).

Factors considered include:

- Contractual terms and conditions for renewal periods when compared with market rates;
- Any leasehold improvements that have been (or are expected to be) undertaken on the properties; and
- Cost of relocation and/or renegotiation.

For further details, please refer to note 3 – Property, plant and equipment, 9 – Lease receivable and 22– Lease liabilities.

#### Realisation of deferred tax assets

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted (refer to note 11 – Deferred taxation).

#### Timing of revenue recognition from contracts with customers – Sale of goods:

In applying IFRS 15, the group makes significant judgements regarding the timing of revenue recognition. The group recognises revenue for the sale of goods at the point in time which the performance obligation in the sales contract has been met. This is the point in time when control passes from the group. The following main factors are considered to determine the point in time at which control passes:

- The group's right to receive payment, or receipt of payment.
- The transfer of legal title of the goods, such as the bill of lading.
- Risks and rewards of ownership. This includes insurance on the goods and the ability to on sell the goods.
- Acceptance of the product by the customer, based on the specifications of the goods supplied.
- Whether or not the goods are separately identified and allocated to the customer, ready to be delivered to the customer, and whether or not the group can sell the product to another customer.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.4 Significant judgements and sources of estimation uncertainty *continued*

#### Key sources of estimation uncertainty

##### ***Impairment of financial assets***

In applying IFRS 9 Financial Instruments, management makes judgements and assumptions in determining the impairment losses to be recognised in relation to financial assets. The expected credit loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group and company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's and company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Forward-looking information, such as external credit providers view on debtors, and possible worsening market conditions have been incorporated in the probability of default. Refer to notes 8, 9, 13 and 15 for further details.

##### ***Allowance for slow moving, damaged and obsolete inventory***

An allowance for inventory is made to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write-down is included in the costs of sales. Inventory items do not have short shelf-lives and therefore slow moving inventory is generally provided after 365 days. Refer to note 12 for further details.

##### ***Impairment of non-financial assets***

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. For further details, please refer to note 4 – Goodwill and note 5 – Intangible assets.

### 1.5 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

When land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount.

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

Land is not depreciated.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.5 Property, plant and equipment *continued*

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

Item	Useful life
Land	Unlimited
Buildings	25 years
Plant and machinery	3 – 20 years
Furniture and fixtures	20 years
Motor vehicles	10 years
IT equipment	5 years
Right-of-use buildings	5 – 10 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 is straight lined, and the charge for each year is recognised in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.6 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The group reviews and tests the carrying value of intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment has occurred, the impairment is recognised in profit and loss. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Intangible assets under development are only depreciated once the development stage is completed and the asset is capitalised.

Item	Useful life
Intangible assets – Nano Milling Technology	20 years

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.7 Investments in subsidiaries

#### Group financial statements

The group 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 structured entities) over which the group has rights to variable returns from its involvement with the entities, and has the ability to affect those returns through its power over the entities. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

#### Company financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary; plus
- changes in consideration arising from contingent consideration amendments.

### 1.8 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets

- Amortised cost; or
- Fair value through profit and loss.

Financial liabilities

- Amortised cost; or
- Fair value through profit and loss.

#### Financial assets

##### Classification

Financial assets which are held for trading (derivatives) are classified as financial assets mandatorily at fair value through profit or loss (refer to note 14).

All other financial assets are measured at amortised cost, because the contractual terms give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and it is the group's business model to collect the contractual cash flows on these assets.

##### Financial assets at amortised cost

The following financial assets are classified as financial assets at amortised cost:

- Loans to group companies.
- Trade and other receivables.
- Cash and cash equivalents (refer to accounting policy 1.9).

Trade and other receivables are initially recognised at their transaction price. Loans to group companies and cash and cash equivalents are initially measured at its fair value, plus or minus any directly attributable transaction costs. All financial assets in this category are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method, adjusted for any loss allowance.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.8 Financial instruments *continued*

#### **Financial assets at amortised cost** *continued*

Interest income is calculated using the effective interest rate method, and is included in profit or loss in investment income (refer to note 29).

The application of the effective interest method to calculate interest income on the receivable is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the financial asset, provided it is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a financial asset was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the financial asset in the determination of interest. If, in subsequent periods, the financial asset is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

When a financial asset is denominated in a foreign currency, the carrying amount of the financial asset is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains/ (losses) (refer to note 27).

#### **Impairment**

The group and company assesses on a forward-looking basis the Expected Credit Losses (ECLs) associated with its financial assets carried at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group and company in accordance with the contract and the cash flows that the group and company expects to receive).

Expected credit loss allowances are measured on either of the following bases:

- 12-Month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

For trade receivables, the group applies the simplified approach prescribed by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables. To measure the ECLs, trade receivables are grouped based on shared credit risk characteristics (refer to table below) and the days past due to identify non-performing receivables. In addition, forward-looking macro-economic conditions and factors are considered when determining the ECLs for trade receivables, namely trading conditions in the international metal markets, as well as economic growth and inflationary outlook in the short-term. The probabilities of default have been adjusted to account for the possible implications of these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due. Customers are classified as "non-performing customers" when the receivable is more than 30 days past due.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.8 Financial instruments *continued*

#### Impairment *continued*

Category	Definition
<b>Large corporate entities</b>	This category of customers is generally represented by large companies with annual revenue of more than R1 billion. These entities are mostly industrial entities who are exposed to the international metals markets. Internal credit ratings assigned to these entities are equivalent to B+, B or B-. Probabilities of default for entities in this category range between 0.09% and 4.7%. Loss given default rates for entities within this category generally range between 30% and 49%.
<b>Foreign entities – Global</b>	This category of customers is generally represented by companies not on the African continent. The main countries represented are Brazil, Hong Kong, Singapore, USA and the UAE. Different internal credit risk ratings are assigned to different countries and range between equivalent AAA and BB-. Probabilities of default for entities in this category range between 2% and 10%. Loss given default rates for entities within this category generally range between 25% and 35%.
<b>Foreign entities – Africa</b>	This category of customers is generally represented by companies outside of South Africa, but on the African continent. The main countries represented are DRC, Swaziland, Ghana, Zambia, Botswana, Mozambique, Senegal and Zimbabwe. Different internal credit risk ratings are assigned to different countries and range between equivalent BA and CC. Probabilities of default for entities in this category range between 63% and 89%. Loss given default rates for entities within this category generally range between 80% and 100%.
<b>Small and medium entities</b>	This category of customers is generally represented by small and medium enterprises with annual revenue of less than R1 billion. These entities are mostly exposed to the international metals markets. Internal credit ratings assigned to these entities range between equivalent B+ and CCC. Probabilities of default for entities in this category range between 1% and 4%. Loss given default rates for entities within this category generally range between 44% and 68%.
<b>Large retail entities</b>	This category of customers is generally represented by large retail companies with annual revenues in excess of R1 billion. These entities are diversified and are exposed to a variety of industries. Internal credit ratings assigned to entities in this category range between B+ and B-. Probabilities of default range between 4% and 6%. Loss given default rates for entities within this category generally range between 25% and 35%.
<b>Government entities</b>	This category of customers is generally represented by State Owned Entities within South Africa. Internal credit ratings assigned to entities in this category range between BB+ and CCC. Probabilities of default range between 2% and 8%. Loss given default rates for entities within this category generally range between 25% and 35%.

\* Internal credit ratings assigned aligns with those used global ratings agencies .

For other financial assets measured at amortised cost, the group and company based the ECL on the 12-month expected credit loss allowance or a lifetime expected credit loss allowance. The 12-month expected credit loss allowance is the expected credit loss allowances that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the ECL will be based on the lifetime expected credit loss allowances. The group and company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The group and company considers a financial asset to be in default when the contractual payment term has lapsed. However, in certain cases, the group and company may also consider a financial asset to be in default when internal or external information indicates that the group and company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group and company. there is no expectation to recover the amount, and the amount is no longer subject to legal enforcement. Financial assets are written off when there is no expectation to recover the amount, and the amount is no longer subject to legal enforcement. Financial assets are written off when there is no expectation to recover the amount, and the amount is no longer subject to legal enforcement.



# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.8 Financial instruments *continued*

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

#### Financial liabilities

##### Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss (refer to note 14). When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss.

All other financial liabilities are measured at amortised cost.

##### Financial liabilities at amortised cost

The following financial liabilities are classified as financial liabilities at amortised cost:

- Term loans;
- Loans from shareholders;
- Trade and other payables;
- Loans from group companies;
- Primary lending facility; and
- Redeemable preference shares.

##### Measurement

Liabilities at amortised cost are recognised when the group or company becomes a party to the contractual provisions of the liability. The liabilities are initially measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (refer to note 30).

Financial liabilities at amortised cost expose the group to liquidity risk and interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

When financial liabilities are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains/(losses) (refer to note 27).

Details of foreign currency risk exposure and the management thereof are provided in note 39.

#### Derecognition

Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire. On derecognition of a financial liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

#### Modification of financial liabilities

A substantial modification of the terms of an existing debt instrument or part of it, is accounted for as an extinguishment of the original debt instrument and the recognition of a new debt instrument.

##### Financial liabilities at fair value through profit or loss

The following financial liabilities are classified as liabilities at fair value through profit and loss:

- Derivatives; and
- Contingent consideration in a business combination.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.8 Financial instruments *continued*

#### Measurement

Financial liabilities at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss. If any portion of the movement in fair value relates to the unwinding of discounted liabilities, this portion is included in profit or loss as part of finance cost.

### 1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and deposits held. These assets are readily convertible to a known amount of cash and are subject to insignificant risk of change in value. These are accounted for at amortised cost.

### 1.10 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.

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.

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

### 1.11 Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control an identified asset, the group assesses whether:

- The contract involves the use of an identified asset;
- The group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.11 Leases *continued*

- the group has the right to direct the use of the asset. The group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component, on the basis of their relevant stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the group has elected not to separate non-lease components and account for all as a single lease component.

#### **Finance leases – lessor**

The group recognises a lease receivable in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the lease.

When the group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. In such instances a portion of the right-of-use asset relating to the sub-lease is derecognised, and a lease receivable is recognised. The rentals are apportioned between a reduction in the net investment in the lease, and finance income over the lease term. The finance income portion is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Lease receivables are subject to IFRS 9 expected credit loss assessments (refer to note 9).

#### **Lease accounting – lessee**

Leases are recognised as right-of-use assets and lease liabilities in the statement of financial position at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The corresponding lease liability is included in the statement of financial position as a lease liability, and is measured at the present value of the lease payments that are not paid at the commencement date. The discount rate used in calculating the present value of the lease payments is the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

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.

Lease payments included in the measurement of the lease liability, are the fixed lease payments.

The lease payment liability is remeasured when there is a change in future lease payments, or if the group changes its assessment on whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The group discloses right-of-use assets in "property, plant and equipment" and presents lease liabilities in "lease liabilities" in the statement of financial position.

#### **Short-term leases and leases of low-value assets:**

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (12 months or less) or leases of low-value assets, including IT equipment such as printers. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.12 Inventories

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

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.

### 1.13 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.

An entity 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. If the recoverable amount exceeds the carrying amount, the impairment loss is reversed immediately in profit or loss (or in comprehensive income if the asset is revalued under IAS 16 or IAS 38). On reversal, the asset's carrying amount is increased, but not above the amount that it would have been without the prior impairment loss. Depreciation or amortisation is adjusted in future periods.

### 1.14 Assets in disposal groups classified as held for sale

Assets are classified as a 'disposal group' if the group intends to dispose of in a single transaction. In the current year the group classified plant and machinery as a disposal group held for sale.

Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset will be measured in accordance with applicable IFRS (IAS 16).

Once the assets have been classified as a disposal group held for sale, the disposal group (as a whole), is measured at the lower of net book value, or fair value less costs to sell.

The disposal group is considered for impairment at time of classification, and subsequently, at year-end. Any impairment losses are recognised in profit and loss.

Disposal groups classified as held for sale are not depreciated, from the time of classification, until the time of sale.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.15 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.

If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

### 1.16 Share-based payments

Services received or acquired in a share-based payment transaction are recognised as the services are received. A corresponding increase in equity is recognised if the services were received in an equity-settled share-based payment transaction, or a liability if the services were acquired in a cash-settled share-based payment transaction.

For equity-settled share-based payment transactions the services received and the corresponding increase in equity are measured directly at the fair value of the equity instrument.

Vesting conditions which are not market related and are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. There are no market related vesting conditions.

The share-based payments granted do not vest until the employee completes a specified period of service, therefore the group accounts for those services as they are rendered on a straight-line basis over the vesting period.

If the share-based payments vest immediately the services received are recognised in full.

### 1.17 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. Please refer to note 10 for further details.

### 1.18 Revenue from contracts with customers

The group provides the steel, aluminium, cement, foundry, plastics, paper and pulp industries with resource-based commodities like ferrous and non-ferrous alloys, as well as refractory materials. The group does not offer significant payment terms or financing, does not have a variable component in the consideration and does not offer any warranties. If product is returned, the item is replaced, or a credit note is issued.

The group and company have applied the practical expedient permitted by IFRS 15 on partially unsatisfied performance obligations, as none of the contracts with customers have durations for more than one year.

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.18 Revenue from contracts with customers *continued*

Revenue is derived from contracts with customers for the supply of goods and rendering of services.

Revenue is measured based on the consideration specified in a contract with a customer.

The group recognises revenue from the following major sources:

- Sale of goods – local
- Sale of goods – exports
- Rendering of services – transport and insurance revenue

#### **Sale of goods – local**

Local sale of goods is recognised at the point in time that control passes to the customer, which is generally indicated as follows:

- Product has been delivered to the customer, or the customer has collected the product;
- The customer has accepted the control associated with the product.
- A present right to payment is established; and
- Collectability of the related receivables is reasonably assured.

#### **Sale of goods – exports**

Sale of exported goods are recognised at the point in time that control passes to the customer, which is generally indicated as follows:

- The group no longer has the ability to direct the use of the product;
- The customer has accepted the control associated with the product;
- A present right to payment is established; and
- Collectability of the related receivables is reasonably assured.

#### **Rendering of services – transport and insurance revenue**

Where transport and insurance are distinct (a separate performance obligation), the revenue from these services are recognised separately over time, as the service is rendered using the output method to measure progression. This method has been selected as it faithfully depicts the timing of services rendered.

The customer receives and consumes the benefits provided by the group as the group provides the service. There are no unsatisfied performance obligations at the end of the financial period.

#### **Rendering of services – sample analysis**

The company has developed a laboratory which provides analysis of samples to entities within the group, as well as external parties. The revenue earned from these services are recognised once the analysis certificate is issued to the relevant customers, as this is when the customer receives the benefits. There were no material partially satisfied performance obligations at year-end.

#### **Management fees**

The holding company provides management services to other companies within the group. The fees earned from these services are recognised over the period which the services are provided, using the output method. The fees are re-assessed on an annual basis. The other companies within the group receive and consume the benefits provided by the company as it provides the service. There are no unsatisfied performance obligations at the end of the financial period.

### 1.19 Revenue other than from contracts with customers

#### **Dividend received**

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

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 1.20 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.

### 1.21 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.22 Translation of foreign currencies

#### Functional and presentation currency

Items included in the 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 financial statements are presented in Rand which is the group functional and presentation currency.

#### 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 annual financial statements are recognised in profit or loss in the period in which they arise.

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

### 1.23 Investment income

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

# ACCOUNTING POLICIES *continued*

for the year ended 28 February 2023

## 2. NEW STANDARDS AND INTERPRETATIONS

### 2.1 Standards and interpretations effective for the first time for 28 February 2023 year-end

The following standards became effective for annual periods beginning on or after 1 January 2022. The group adopted these standards in the current period and they did not have a material impact on its consolidated or separate financial statements.

- ***Amendment to IFRS 16 – ‘Leases’ – Covid-19 – Related Rent Concessions***  
The amendment providing lessees with an exemption from assessing whether a Covid-19 related rent concession (a rent concession that reduces lease payments due on or before 30 June 2022) is a lease modification.
- ***IFRS 16 – ‘Leases’ – Covid-19 – Related Rent Concessions beyond 30 June 2022 (effective for annual periods beginning on or after 1 April 2022)***  
The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

### 2.2 Standards and interpretations not yet effective

The entity does not plan on adopting any of these amendments earlier than the effective date. None of these amendments are expected to have a material impact on the the consolidated or separate financial statements.

- ***IAS 1 – ‘Presentation of annual financial statements’ – Classification of Liabilities as Current or Non-current and Disclosure of accounting policies (effective for annual periods beginning on or after 1 January 2023)***  
Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current and further amendments, requiring companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.
- ***IAS 1 – ‘Presentation of annual financial statements’ – Non-current liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)***  
The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.
- ***IAS 8 – “Accounting policies, changes in accounting estimates and errors” – Definition of accounting estimates (effective for annual periods beginning on or after 1 January 2023)***  
Amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates.
- ***IAS 16 – “Property, Plant and Equipment” – Proceeds Before Intended Use (effective for annual periods beginning on or after 1 January 2023)***  
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- ***IAS 37 – “Provisions, Contingent Liabilities and Contingent Assets” (effective for annual periods beginning on or after 1 January 2023)***  
The amendment outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).
- ***IAS 12 – “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (effective for annual periods beginning on or after 1 January 2023)***  
The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2023

## 3. PROPERTY, PLANT AND EQUIPMENT

	Cost or revaluation R'000	2023 Accu- mulated depreciation R'000	Carrying value R'000	Cost or revaluation R'000	2022 Accu- mulated depreciation R'000	Carrying value R'000
<b>GROUP</b>						
Land	54 582	–	54 582	36 130	–	36 130
Buildings	109 477	(917)	108 560	156 836	(23 668)	133 168
Plant and machinery	224 579	(86 494)	138 085	272 453	(112 963)	159 490
Furniture and fixtures	23 283	(9 831)	13 452	24 815	(11 330)	13 485
Motor vehicles	86 206	(56 822)	29 384	90 059	(57 220)	32 839
IT equipment	13 826	(11 440)	2 386	13 577	(10 902)	2 675
Right-of-use asset – buildings	23 594	(13 225)	10 369	23 281	(9 436)	13 845
Capital work in progress	5 741	–	5 741	636	–	636
<b>Total</b>	<b>541 288</b>	<b>(178 729)</b>	<b>362 559</b>	<b>617 787</b>	<b>(225 519)</b>	<b>392 268</b>
<b>COMPANY</b>						
Plant and machinery	8 187	(1 223)	6 964	6 064	(718)	5 346
Furniture and fixtures	577	(280)	297	547	(194)	353
Motor vehicles	311	(6)	305	–	–	–
IT equipment	412	(193)	219	163	(144)	19
<b>Total</b>	<b>9 487</b>	<b>(1 702)</b>	<b>7 785</b>	<b>6 774</b>	<b>(1 056)</b>	<b>5 718</b>

### Reconciliation of property, plant and equipment

	Opening balance R'000	Addi- tions R'000	Dis- posals R'000	Modifi- cation of lease R'000	Revalua- tion of land and build- ings R'000	Transfers R'000	Classi- fied as held- for-sale# R'000	De- pre- ciation R'000	Total R'000
<b>GROUP</b>									
<b>2023</b>									
Land	36 130	–	–	–	18 452	–	–	–	54 582
Buildings	133 168	5 004	(7 302)	–	(15 862)	–	–	(6 448)	108 560
Plant and machinery	159 490	17 855	(13 534)	–	–	–	(8 249)	(17 477)	138 085
Furniture and fixtures	13 485	1 464	(237)	–	–	–	–	(1 260)	13 452
Motor vehicles	32 839	3 978	(1 876)	–	–	–	–	(5 557)	29 384
IT equipment	2 675	755	(368)	–	–	612	–	(1 288)	2 386
Right-of-use asset – buildings	13 845	–	–	(389)	–	–	–	(3 087)	10 369
Capital work in progress	636	5 717	–	–	–	(612)	–	–	5 741
	<b>392 268</b>	<b>34 773</b>	<b>(23 317)</b>	<b>(389)</b>	<b>2 590</b>	<b>–</b>	<b>(8 249)</b>	<b>(35 117)</b>	<b>362 559</b>
	Opening balance R'000	Additions R'000	Disposals R'000	Modifi- cation of lease R'000	Transfers R'000	De- preciation R'000		Total R'000	
<b>2022</b>									
Land	36 130	–	–	–	–	–	–	36 130	
Buildings	139 573	1 236	(747)	–	–	(6 894)	–	133 168	
Plant and machinery	194 684	14 161	(28 338)	–	1 022	(22 039)	–	159 490	
Furniture and fixtures	14 431	764	(138)	–	–	(1 572)	–	13 485	
Motor vehicles	38 082	6 964	(3 578)	–	–	(8 629)	–	32 839	
IT equipment	3 647	795	–	–	–	(1 767)	–	2 675	
Right-of-use asset – buildings	8 448	4 714	(975)	3 973	–	(2 315)	–	13 845	
Capital work in progress	1 022	636	–	–	(1 022)	–	–	636	
	<b>436 017</b>	<b>29 270</b>	<b>(33 776)</b>	<b>3 973</b>	<b>–</b>	<b>(43 216)</b>	<b>–</b>	<b>392 268</b>	

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 3. PROPERTY, PLANT AND EQUIPMENT CONTINUED

### Reconciliation of property, plant and equipment

	Opening balance R'000	Additions R'000	Depre- ciation R'000	Total R'000
<b>COMPANY</b>				
<b>2023</b>				
Plant and machinery	5 346	2 123	(505)	6 964
Furniture and fixtures	353	30	(86)	297
Motor vehicles	–	311	(6)	305
IT equipment	19	249	(49)	219
	<b>5 718</b>	<b>2 713</b>	<b>(646)</b>	<b>7 785</b>
<b>2022</b>				
Plant and machinery	5 183	488	(325)	5 346
Furniture and fixtures	286	148	(81)	353
IT equipment	67	–	(48)	19
	<b>5 536</b>	<b>636</b>	<b>(454)</b>	<b>5 718</b>

A register containing the information required by Regulation 25(3) of the Company Regulations 2011, is available for inspection at the registered office of the company and its respective subsidiaries. The property, plant and equipment is pledged as security for banking facilities (refer to note 21).

Group additions include plant and machinery through instalment sales of R16,3 million (2022: R14,24 million) and cash additions of R18 million (2022: R11,77 million). Other non-cash additions (transfers via loan agreements) amounted to R3 million. Company additions include cash additions of R0,27 million (2022: R0,64 million) and non-cash additions non-cash additions of R2,7 million (2022: R nil).

*\* Assets classified as held-for-sale at group level is lower than the amount disclosed at company level, due to the intergroup profit that has been eliminated. At group level, the assets are valued at net book value, which is lower than the fair value at which it is disclosed at a company level.*

### Modification of lease – warehouse and office building

In the current financial year, the landlord delayed the monthly increase on one of the properties. This has resulted in a decrease in the right-of-use asset of R389 000 (2022: an increase of R3 973 232) and a gain on lease modification of R198 000 (2022: R27 000). The gain on lease modification has been included in other operating income (refer to note 26).

For other disclosures relating to leases, please refer to note 9 – Lease receivables, note 22 – Lease liabilities, note 29 – Investment income and note 30 – Finance costs.

### Revaluations

The property portfolio of the group has been revalued as at 28 February 2023. Revaluations were performed by independent valuer, Mr Rainier Viljoen, MIV (SA) N.Dip (Prop Val), of Icon Valuations CC, who are not connected to the group. The valuer is a professional valuer registered without restriction in terms of section 20(2)(a) of the Property Valuers Professional Act 47 of 2000.

The valuation was performed using the capitalisation of net income method, and applying a capitalisation rate to the resultant net income indicative of the property and covenant of the tenant. Capitalisation rates ranging between 9% and 13% were used, as well as market related rentals for similar properties in similar areas. Capitalisation rates were determined after taking into account the locality, size, office industrial ratio, as well as condition of the property. A revaluation surplus of R2,59 million less deferred tax of R0,56 million was recognised in other comprehensive income. The assumptions were based on market conditions at the time. The fair value falls within level 3 of the fair value hierarchy.

Land and buildings are revalued independently every five years. The next revaluation will be performed on 28 February 2028. The carrying amount of the land and buildings under the cost model would have been R34,47 million (2022: R41,37 million).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 4. GOODWILL

	2023			2022		
	Cost R'000	Accu- mulated impairment R'000	Carrying value R'000	Cost R'000	Accu- mulated impairment R'000	Carrying value R'000
<b>GROUP</b>						
Goodwill	189 452	(18 968)	170 484	189 452	(18 968)	170 484

### Reconciliation of goodwill

	Opening balance R'000	Impairment loss R'000	Total R'000
<b>GROUP</b>			
<b>2023</b>			
Goodwill	170 484	–	170 484
<b>2022</b>			
Goodwill	170 484	–	170 484

### Impairment test for goodwill

The impairment test for goodwill identifies the recoverable amount of a cash-generating unit and is determined based on value-in-use calculations.

Management reviews business performance based on the market segments in which the group operates. The following is a summary of the goodwill allocation to each operating segment

	2023			2022		
	Opening balance R'000	Additions/ (impair- ments) R'000	Closing balance R'000	Opening balance R'000	Additions/ (impair- ments) R'000	Closing balance R'000
<b>Allocation of goodwill by segment</b>						
Non-ferrous	127 974	–	127 974	127 974	–	127 974
Ferrous	38 086	–	38 086	38 086	–	38 086
Refractory	4 424	–	4 424	4 424	–	4 424
	170 484	–	170 484	170 484	–	170 484

Value-in-use calculations use cash flow projections based on financial budgets approved by management and cover a five-year period. The estimated growth rates applied are in line with that of the industry in which the cash-generating unit operates and are materially similar to assumptions of external market sources. The cash-generating unit's recoverable amount is most sensitive to the assumptions detailed below. The discount rates used are based on a Weighted Average Cost of Capital (WACC), calculated using the Capital Asset Pricing Model (CAPM). The risks specific to each segment have been accounted for in the equity market risk premium, and the betas used are based on comparable companies and industry averages.

The key assumptions used for the value-in-use calculations are as follows:

	2023			2022		
	Non- ferrous %	Ferrous %	Refractory %	Non- ferrous %	Ferrous %	Refractory %
Gross margin – budgeted	7,0 - 15,2	3,7 - 12,7	9,7 - 10,6	7,24 - 13,0	5,22 - 12,69	12,3 - 12,69
Growth rate – nominal	4,8	4,8	4,8	4,8	4,8	4,8
Discount rate – nominal	20,3 - 21,3	20,0 - 21,3	20,0 - 21,5	19,5 - 24,4	19,5 - 24,4	21,2 - 24,4

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 4. GOODWILL CONTINUED

Gross margin – budgeted gross margin as per 2022/2023 budget. This is disclosed as a range, as the margins within a cash generating unit can vary based on the type of sale (local or export) and based on the various products.

Growth rate – minimum growth rate used to extrapolate cash flows beyond the budget period.

Discount rate – This represents the post-tax WACC for each CGU. The pre-tax discount rate applied to the pre-tax cash flow projections were as follows:

– Non-ferrous	25,2 – 26,1% (2022: 31,8 – 33,8%)
– Ferrous	25,5 – 28,3% (2022: 30,6 – 32,6%)
– Refractory	25,6 – 26,6% (2022: 32,9 – 34,9%)

Management has determined the budgeted gross margin based on past performance and its expectations of the market development. The minimum growth rates used are consistent with the forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant operating segments.

### Sensitivity analysis

#### **Non-ferrous:**

If the budgeted gross margin used in the calculations described above had been 0.43% lower, with all other assumptions remaining constant, the recoverable amount would equal the carrying amount of this segment.

If the growth rate applied to forecast terminal growth had been 8.1% lower, with all other assumptions remaining constant, the recoverable amount would equal the carrying amount in this segment.

If the discount rate applied to cash flow projections of this segment had been 2,8% higher than management's estimates, the recoverable amount would equal the carrying amount of this segment.

#### **Ferrous:**

If the budgeted gross margin used in the calculations described above had been 0,71% lower than management's estimate at year-end, the recoverable amount would equal the carrying amount of this segment.

If the growth rate applied to forecast terminal growth had been 42,4% lower, with all other assumptions remaining constant, the recoverable amount would equal the carrying amount of this segment.

If the discount rate applied to cash flow projections of this segment had been 8.9% higher than management's estimates, the recoverable amount would equal the carrying amount of this segment.

#### **Refractory:**

If the budgeted gross margin used in the calculations described above had been 3,7% lower than management's estimate at year-end, the recoverable amount would equal the carrying amount of this segment.

If the growth rate applied to forecast terminal growth had been 278,3% lower, with all other assumptions remaining constant, the recoverable amount would equal the carrying amount of this segment.

If the discount rate applied to cash flow projections of this segment had been 26% higher than management's estimates, the recoverable amount would equal the carrying amount of this segment.

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 5. INTANGIBLE ASSETS

	2023			2022		
	Cost R'000	Accumulated amortisation/ R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
<b>GROUP</b>						
Other intangible assets – Nano Milling Technology	9 336	(2 667)	6 669	9 336	(2 196)	7 140
<b>Total</b>	<b>9 336</b>	<b>(2 667)</b>	<b>6 669</b>	<b>9 336</b>	<b>(2 196)</b>	<b>7 140</b>

### Reconciliation of intangible assets

	Opening balance R'000	Amor- tisation R'000	Total R'000
<b>GROUP</b>			
<b>2023</b>			
Other intangible assets	7 140	(471)	6 669
	7 140	(471)	6 669
<b>2022</b>			
Other intangible assets	7 611	(471)	7 140
	7 611	(471)	7 140

### Other information

The investment in Nano Milling Technology was conceived to introduce the concept of nano-sizing of a range of products to the South African industry. Nano-sizing is the reduction of particle size with sophisticated equipment to extremely fine submicron size.

## 6. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Name of company	Held by	COMPANY			
		Holding 2023 %	Holding 2022 %	Carrying amount 2023 R'000	Carrying amount 2022 R'000
Insimbi Alloy Properties Proprietary Limited	Insimbi Industrial Holdings Limited	100,00	100,00	–	–
Insimbi Alloy Supplies Proprietary Limited	Insimbi Industrial Holdings Limited	100,00	100,00	23 574	23 574
Insimbi EmployeeCo Proprietary Limited* <sup>1</sup>	Insimbi Industrial Holdings Limited	100,00	0,01	3 512	11 522
Insimbi Manco Proprietary Limited*	Insimbi Industrial Holdings Limited	0,02	0,02	7 624	7 624
Insimbi Refractory and Alloy Supplies Proprietary Limited Zambia <sup>#</sup>	Insimbi Industrial Holdings Limited	10,00	10,00	–	–
Amalgamated Metals Group Holdings Proprietary Limited <sup>#</sup>	Insimbi Industrial Holdings Limited	23,31	23,31	56 000	56 000
Treppo Group Proprietary Limited	Insimbi Industrial Holdings Limited	100,00	100,00	38 651	38 651
M2M Properties Proprietary Limited	Insimbi Alloy Properties Proprietary Limited	100,00	100,00	–	–

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 6. INVESTMENTS IN SUBSIDIARIES CONTINUED

Name of company	Held by	Holding		COMPANY	
		2023	2022	Carrying amount 2023	Carrying amount 2022
		%	%	R'000	R'000
Metlite Alloy Properties Proprietary Limited	Insimbi Alloy Properties Proprietary Limited	100,00	100,00	–	–
Amalgamated Metals Group Holdings Proprietary Limited <sup>#</sup>	Insimbi Alloy Supplies Proprietary Limited	76,69	76,69	–	–
Insimbi Aluminium Alloys Proprietary Limited	Insimbi Alloy Supplies Proprietary Limited	100,00	100,00	–	–
Insimbi Modular Plastics Proprietary Limited <sup>5</sup>	Insimbi Alloy Supplies Proprietary Limited	–	100,00	–	–
Insimbi Nano Milling Proprietary Limited	Insimbi Alloy Supplies Proprietary Limited	100,00	100,00	–	–
Insimbi Plastics Proprietary Limited <sup>2</sup>	Insimbi Alloy Supplies Proprietary Limited	–	100,00	–	–
Insimbi Refractory and Alloy Supplies Proprietary Limited Zambia <sup>#</sup>	Insimbi Alloy Supplies Proprietary Limited	90,00	90,00	–	–
Zinc Company No 1 Proprietary Limited <sup>5</sup>	Insimbi Alloy Supplies Proprietary Limited	–	70,00	–	–
Minerals 2 Metals Proprietary Limited	Insimbi Aluminium Alloys Proprietary Limited	100,00	100,00	–	–
Amalgamated Metals Recycling Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	100,00	100,00	–	–
Amalgamated Metals Recycling SA Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	100,00	100,00	–	–
Amalgamated Metals Recycling West Rand Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	100,00	100,00	–	–
Group Wreck International Non-Ferrous Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	100,00	100,00	–	–
Spring Lights 1135 Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	100,00	100,00	–	–
Zamsaf Properties Proprietary Limited	Amalgamated Metals Group Holdings Proprietary Limited	100,00	100,00	–	–
Bulk Ferrous Exports Proprietary Limited	Treppo Group Proprietary Limited	100,00	100,00	–	–
Fragcorp Proprietary Limited	Treppo Group Proprietary Limited	100,00	100,00	–	–
Metfurco Trading Proprietary Limited	Treppo Group Proprietary Limited	100,00	100,00	–	–
Steelco Broking Proprietary Limited	Treppo Group Proprietary Limited	100,00	100,00	–	–
				<b>129 361</b>	<b>137 371</b>

\* Structured entities under the control of the group (The company has the ability to restrict and control the relevant activities of these structured entities, and is able to affect variable returns to the company).

<sup>#</sup> Effectively owned 100% by the group, through investments held by subsidiaries.

<sup>5</sup> The company was dormant, and was deregistered in the current year, therefore the shareholding is 0%.

<sup>1</sup> In the current financial year, the share appreciation rights scheme linked to Insimbi EmployeeCo, came to maturity. Insimbi Industrial Holdings has therefore acquired all of the ordinary shares in EmployeeCo from the staff members who benefited from this scheme, and the process of deregistering the entity was expected to be finalised in the 2024 financial year. Please refer to note 18 for further details

<sup>2</sup> In the current financial year a decision was made to exit the company's non-core operation, Insimbi Plastics Proprietary Limited and to dispose of its assets. Management has considered the impact of disclosing the entity as a discontinued operation, however they found it not to be a major line of business or geographical area of operations, as both revenue and total assets represented less than 2% of group revenue and assets. Furthermore the disclosure as a discontinued operation would not have affected materially EPS or HEPS. Based on this conclusion, management has disclosed assets relating to this operation, still held at year-end by the group and company, as "Assets in disposal groups classified as held for sale" as disclosed in note 16. The company was deregistered in January 2023.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 7. JOINT ARRANGEMENTS

### Joint ventures

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

Name of company	Held by	Ownership interest	Ownership interest	Carrying amount	Carrying amount
		2023 %	2022 %	2023 R'000	2022 R'000
<b>GROUP</b>					
Cronimet Two Joint Venture	Amalgamated Group Holdings Proprietary Limited	<b>8,11</b>	8,11	<b>2 856</b>	1 513

The joint venture is incorporated in South Africa and the other parties are entities in the metal recycling industry. The joint venture was started to encourage recyclers to offer stainless steel to local markets, before offering the product to export markets.

In accordance with the terms of the contractual agreement in place, the group is entitled to 8,11% of the net assets of Cronimet Two Joint Venture and has 20% of the voting rights in the joint venture. The total net assets of Cronimet Two Joint Venture as at 28 February 2023 amounted to R35 220 399 (2022: R18 659 921).

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>8. LOANS TO GROUP COMPANIES</b>				
<b>Subsidiaries</b>				
Insimbi Alloy Supplies Proprietary Limited	–	–	<b>189 296</b>	163 694
Amalgamated Metals Recycling Proprietary Limited	–	–	–	9 229
Insimbi Plastics Proprietary Limited	–	–	–	31 275
Insimbi Aluminium Alloys Proprietary Limited*	–	–	<b>65 800</b>	43 550
Insimbi Nano Milling Proprietary Limited	–	–	–	663
Amalgamated Metals Group Holdings Proprietary Limited*	–	–	<b>2 227</b>	2 227
Insimbi Alloy Properties Proprietary Limited	–	–	<b>20 296</b>	11 022
Insimbi EmployeeCo Proprietary Limited	–	–	–	2
Insimbi Manco Proprietary Limited*	–	–	–	2
Treppo Group Proprietary Limited	–	–	<b>74 662</b>	69 636
Fragcorp Proprietary Limited	–	–	<b>12 000</b>	12 000
	–	–	<b>364 281</b>	343 300
<b>Split between non-current and current portions</b>				
Current assets	–	–	<b>364 281</b>	343 300

\* Portions of these loans were written off in the current year, when they became irrecoverable due to insufficient underlying assets. These loans are no longer subject to enforcement activity.

The loans are unsecured, bear interest at prime less 1% (2022: prime less 1%), and have no fixed terms of repayment.

The company has agreed to subordinate its claims against the subsidiaries in favour of and for the benefit of other creditors of the subsidiaries.

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.

The expected credit loss in relation to the loans to group companies was considered and concluded not to be material due to the existence of sufficient underlying net assets which can be realised to settle the loans. The subsidiaries have sufficient liquid assets (net working capital) that can be realised in the short term to settle their obligations.

Internal credit ratings assigned to these loans range between B+ and B-.

### Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts due to their short-term nature.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>9. LEASE RECEIVABLE</b>				
Gross investment in the lease due				
– within one year	663	614	–	–
– in second to fifth year inclusive	2 466	3 130	–	–
– later than five years	–	–	–	–
	<b>3 129</b>	3 744	–	–
<i>Less: Unearned finance income</i>	<b>(609)</b>	(896)	–	–
	<b>2 520</b>	2 848	–	–
Non-current assets	<b>2 183</b>	2 511	–	–
Current assets	<b>337</b>	337	–	–
	<b>2 520</b>	2 848	–	–

In 2019, the group entered into a finance leasing arrangement for a portion of their property.

The lease term is 10 years and the incremental borrowing rate used to discount the receivable was 10,25% (2022: 10,25%).

For other disclosures relating to leases, please refer to note 3 – property, plant and equipment, note 22 – lease liabilities, note 29 – investment income and note 30 – finance costs.

### Exposure to credit risk

Lease receivables inherently exposes the group to credit risk, the risk being that the group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Credit risk is mitigated by holding the leased assets as collateral. The collateral held is equal in value to the lease receivable.

The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Lease receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for lease receivables is calculated based on 12-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses.

The loss allowance is updated to either 12-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a lease is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a lease is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account the probability of default and loss given default. The loss given default was reduced by the collateral held and resulted in no material impairment.

The internal credit ratings assigned to this receivable is equivalent to B+.

The maximum exposure to credit risk is the carrying amount of leases as presented above.

## 10. RETIREMENT BENEFITS

### Defined contribution plan

The employees of the group are members of a defined contribution plan, which is administered by Alexander Forbes Retirement Fund. The fund is governed by the Pension Fund Act of 1956.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity.

The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as and expensed when they are due. The expense recognised during the year was R9 624 574 (2022: R9 450 565).



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>11. DEFERRED TAXATION</b>				
<b>Deferred tax liability</b>				
Accelerated tax depreciation	(20 441)	(14 858)	(1 111)	(717)
Revaluation of property, plant and equipment	(10 417)	(14 698)	–	–
Fair value uplift on property, plant and equipment through business combination	(8 270)	(11 928)	–	–
Prepayment	(757)	(1 047)	(221)	–
Leases	(2 348)	(3 183)	–	–
<b>Total deferred tax liability</b>	<b>(42 233)</b>	<b>(45 714)</b>	<b>(1 332)</b>	<b>(717)</b>
<b>Deferred tax assets</b>				
Provisions	8 962	15 148	2 676	4 069
Tax losses available for offset against future taxable income	–	–	–	–
Income received in advance	706	992	–	–
Leases	2 674	3 438	–	–
<b>Total deferred tax asset*</b>	<b>12 342</b>	<b>19 578</b>	<b>2 676</b>	<b>4 069</b>
<b>Total net deferred tax</b>	<b>(29 891)</b>	<b>(26 136)</b>	<b>1 344</b>	<b>3 352</b>
Disclosed as net deferred tax asset	24 840	11 125	1 344	3 352
Disclosed as net deferred tax liability	(54 731)	(37 261)	–	–
<b>The gross movement on the deferred tax account is as follows:</b>				
Opening balance	(26 136)	(29 849)	3 352	1 119
(Credited)/charged to profit and loss	(6 008)	2 311	(2 089)	2 319
Charged/(credited) to other comprehensive income	2 165	–	–	–
Prior period adjustments	88	530	81	121
Change in effective tax rate	–	872	–	(207)
<b>Closing balances</b>	<b>(29 891)</b>	<b>(26 136)</b>	<b>1 344</b>	<b>3 352</b>

\* Deferred tax assets have only been recognised to the extent that there are probable future taxable profits to utilise the assets against.

	Provisions R'000	Tax losses available for set-off R'000	Income received in advance R'000	Leases R'000	Total assets R'000
<b>GROUP</b>					
The movement in deferred tax assets during the year is as follows:					
At 28 February 2021	6 119	8 327	–	2 588	17 034
Charged/(credited) to profit and loss	7 949	(7 783)	121	163	450
Change in effective tax rate	(644)	–	(37)	(127)	(808)
Prior period adjustment	1 724	(544)	908	814	2 902
At 28 February 2022	15 148	–	992	3 438	19 578
<b>Charged/(credited) to profit and loss</b>	<b>(6 274)</b>	<b>–</b>	<b>(286)</b>	<b>(764)</b>	<b>(7 324)</b>
<b>Charged/(credited) to other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Prior period adjustment</b>	<b>88</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>88</b>
<b>At 28 February 2023</b>	<b>8 962</b>	<b>–</b>	<b>706</b>	<b>2 674</b>	<b>12 342</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 11. DEFERRED TAXATION CONTINUED

	Accele- rated tax depre- ciation R'000	Revaluation of property, plant and equipment R'000	Fair value gains through business combi- nation R'000	Leases R'000	Pre- payments R'000	Total liabilities R'000
<b>GROUP</b>						
The movement in deferred tax liabilities during the year is as follows:						
At 28 February 2021	(15 017)	(15 242)	(14 646)	(1 548)	(430)	(46 883)
Charged/(credited) to profit and loss	686	–	2 276	(95)	(1 006)	1 861
Change in effective tax rate	537	544	442	118	39	1 680
Prior period adjustment	(1 064)	–	–	(1 658)	350	(2 372)
At 28 February 2022	(14 858)	(14 698)	(11 928)	(3 183)	(1 047)	(45 714)
<b>Charged/(credited) to profit and loss</b>	<b>(3 467)</b>	<b>–</b>	<b>3 658</b>	<b>835</b>	<b>290</b>	<b>1 316</b>
<b>Charged/(credited) to other comprehensive income</b>	<b>(6 847)</b>	<b>9 012</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 165</b>
<b>Prior period adjustment</b>	<b>4 731</b>	<b>(4 731)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>At 28 February 2023</b>	<b>(20 441)</b>	<b>(10 417)</b>	<b>(8 270)</b>	<b>(2 348)</b>	<b>(757)</b>	<b>(42 233)</b>

	Tax losses R'000	Provisions R'000	Total assets R'000
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## COMPANY

The movement in deferred tax assets and liabilities during the year is as follows:

At 28 February 2021	–	1 713	1 713
Change in effective tax rate	–	(233)	(233)
(Credited)/charged to profit and loss	–	2 589	2 589
At 28 February 2022	–	4 069	4 069
<b>(Credited)/charged to profit and loss</b>	<b>–</b>	<b>(1 474)</b>	<b>(1 474)</b>
<b>Prior period adjustment</b>	<b>–</b>	<b>81</b>	<b>81</b>
<b>At 28 February 2023</b>	<b>–</b>	<b>2 676</b>	<b>2 676</b>

	Accele- rated tax depre- ciation R'000	Pre- payments R'000	Total liabilities R'000
At 28 February 2021	(421)	(173)	(594)
(Credited)/charged to profit and loss	(322)	52	(270)
Change in effective tax rate	26	–	26
Prior period adjustment	–	121	121
At 28 February 2022	(717)	–	(717)
<b>(Credited)/charged to profit and loss</b>	<b>(394)</b>	<b>(221)</b>	<b>(615)</b>
<b>Prior period adjustment</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>At 28 February 2023</b>	<b>(1 111)</b>	<b>(221)</b>	<b>(1 332)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>12. INVENTORIES</b>				
Raw materials, components <sup>#</sup>	160 869	194 436	–	–
Finished goods <sup>#</sup>	137 925	120 705	–	–
Goods in transit	11 605	21 620	–	–
	<b>310 399</b>	336 761	–	–
Inventory write-down*	(5 803)	(9 048)	–	–
	<b>304 596</b>	327 713	–	–
* Relates to raw materials and components.				
<sup>#</sup> In the current year, management investigated the classification of the split of materials between finished goods and raw materials to improve disclosures. As a result the prior year number has been restated, whereby raw materials of R109 190 223 have been reclassified to finished goods.				
The total inventory write-down for the year was included in cost of sales.				
The inventory balances do not include any spare parts.				
<b>13. TRADE AND OTHER RECEIVABLES</b>				
<b>Financial instruments:</b>				
Trade receivables	532 426	538 375	636	1 885
Deposits	3 685	2 529	–	–
Other receivables*	24 822	40 313	382	100
Loss allowance	(2 077)	(6 000)	–	–
Trade receivables at amortised cost	<b>558 856</b>	575 217	<b>1 018</b>	1 985
<b>Non-financial instruments:</b>				
VAT	42 552	41 669	884	493
Employee costs in advance	317	654	100	139
Prepayments	6 839	4 769	819	539
<b>Total trade and other receivables</b>	<b>608 564</b>	622 309	<b>2 821</b>	3 156
<b>Split between non-current and current portions</b>				
Current assets	<b>608 564</b>	622 309	<b>2 821</b>	3 156
<b>Categorisation of trade and other receivables</b>				
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:				
At amortised cost	558 856	575 217	1 018	1 985
Non-financial instruments	49 708	47 092	1 803	1 171
	<b>608 564</b>	622 309	<b>2 821</b>	3 156

\* Other receivables includes receivables in Treppo Group Proprietary Limited, which has extended payment terms and have securities in place to secure the receivable.

### Trade and other receivables pledged as security

Trade and other receivables were pledged as security for short-term facilities (primary lending facility and receivables financing facility) of R575 000 000 (2022: R455 000 000) of the group. At year end the primary lending facility (as disclosed in financial liabilities) amounted to R211 579 818 and the receivables financing facility amounted to R101 997 401, thus R313 577 219 in total. (2022: R259 174 192). Refer to note 21.

### Exposure to credit risk

Trade and other receivables inherently expose the group to credit risk, the risk being that the group will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable customers with consistent payment histories. Furthermore, debtors insurance is obtained on all customers, where possible. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 13. TRADE AND OTHER RECEIVABLES CONTINUED

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 30 days (2022: 30 days).

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

The loss allowance provision for group and company is determined as follows:

Company internal credit rating	2023			2022		
	Expected credit loss rate %	Gross carrying amount R'000	Loss allowance R'000	Expected credit loss rate %	Gross carrying amount R'000	Loss allowance R'000
Foreign debtors – Global	0,0 to 4,7	438	–	0,1 to 3,20	49 417	31
Foreign debtors – Africa	2,7 to 8,2	15 465	887	0,2 to 12,0	16 576	68
Government	0,0 to 0,6	3 281	–	0,0 to 0,6	3 459	16
Large corporate entities	0,04 to 0,2	432 817	428	0,6 to 8,0	432 467	1121
Small and medium entities	0,2 to 0,6	104 063	149	0,8 to 10,2	70 936	159
		<b>556 064</b>	<b>1 464</b>		572 855	1 395
Non-performing customers	<b>7,0 to 13,0</b>	<b>4 869</b>	<b>613</b>	80 to 100	8 362	4 605
<b>Total</b>		<b>560 933</b>	<b>2 077</b>		581 217	6 000

Due to the volatile market conditions experienced as a result of the Covid-19 pandemic, the probability of default has increased, leading to an increase in the expected credit loss rate as disclosed above. To mitigate this risk, a significant portion of the group trade receivables have been insured, resulting in a lower “loss given default” (LGD) as the credit loss would not be more than 20%. Due to this insurance, the loss allowance for “non-performing customers” is lower than the gross carrying amount.

### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening balance	(6 000)	(6 044)	–	–
New financial assets originated or purchased	(535)	(1 586)	–	–
Amount written off as bad debt (no longer subject to enforcement activity)	4 053	–	–	–
Change in risk parameters	405	1 630	–	–
<b>Closing balance</b>	<b>(2 077)</b>	<b>(6 000)</b>	<b>–</b>	<b>–</b>
<b>Exposure to currency risk</b>				
The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.				
<b>Rand amount</b>				
Rand	542 953	522 977	1 018	1 985
US Dollar	14 640	50 977	–	–
Euro	1 263	1 263	–	–
	<b>558 856</b>	575 217	<b>1 018</b>	1 985

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>13. TRADE AND OTHER RECEIVABLES CONTINUED</b>				
<b>Foreign currency amount</b>				
US Dollar	795	3 310	–	–
Euro	65	73	–	–
<b>Rand per unit of foreign currency</b>				
US Dollar	18,411	15,401	–	–
Euro	19,467	17,238	–	–
<b>The fair value of trade and other receivables</b>				
The fair value of trade and other receivables approximates their carrying amounts due to their short-term nature.				
<b>14. DERIVATIVES</b>				
<b>Hedging derivatives</b>				
Foreign exchange contracts	2 492	(312)	–	–
<b>Split between non-current and current portions</b>				
Current assets	3 626	–	–	–
Current liabilities	(1 134)	(312)	–	–
	2 492	(312)	–	–
The fair value of the foreign currency exchange contracts is determined by using the relevant exchange spot rates at the financial reporting date.				
The derivative instruments are held at fair value and have significant inputs other than quoted prices that are either directly or indirectly observable for the instruments.				
This results in the fair value measure of these instruments being classified as level 2 in the fair value ranking.				
<b>15. CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalents consist of:</b>				
Cash on hand	2 290	2 576	–	–
Bank balances	94 786	54 803	1	–
	97 076	57 379	–	–
Current assets	97 076	57 379	1	–
	97 076	57 379	1	–
<b>Rand amount</b>				
Rand	63 683	44 473	1	–
US Dollar	33 393	12 906	–	–
	97 076	57 379	1	–
<b>Foreign currency amount:</b>				
US Dollar	1 813	838	–	–
The following closing exchange rates were applied at reporting date:				
<b>Rand per unit of foreign currency:</b>				
US Dollar	18,41	15,40	–	–

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 16. ASSETS IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

In the current financial year a decision was made to exit the group's non-core operation, Insimbi Plastics Proprietary Limited and to dispose of its assets. Management has considered the impact of disclosing the entity as a discontinued operation, however they found it not to be a major line of business or geographical area of operations, as both revenue and total assets represented less than 2% of group revenue and assets. Furthermore the disclosure as a discontinued operation would not have affected materially EPS or HEPS. Based on this conclusion, management has disclosed assets relating to this operation, still held at year-end by the group and company, as "Assets in disposal groups classified as held for sale". The company was deregistered in January 2023.

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Assets in disposal groups classified as held for sale consist of:</b>				
Plant and machinery	8 249	–	17 770	–
The difference between company and group value, is the profit made when the assets were sold to holding company, before deregistration of the entity.				
The assets were sold intergroup at the fair market value as determined by an independent valuer.				
<b>17. SHARE CAPITAL</b>				
<b>Authorised</b>				
12 000 000 000 ordinary shares of 0,000025 cents each	3	3	3	3
Reconciliation of number of shares issued ('000):				
Shares purchased by subsidiaries	12 442	26 601	–	–
Issue of shares – ordinary shares	372 031	394 937	–	–
	384 473	421 538	–	–
<b>Issued (R'000)</b>				
Share premium	214 813	238 745	212 665	239 095
Share issue costs written off against share premium	(8 618)	(8 618)	(8 618)	(8 618)
Treasury shares/held by subsidiaries	(9 959)	(22 125)	–	–
	196 236	208 002	204 047	230 477

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

A total of 25 527 088 of shares previously held in treasury (or repurchased in the current year), amounting to R23 931 938, were delisted and cancelled.

The 11 538 462 shares issued as part of the Treppo acquisition were transferred back to the group at no consideration, and were delisted and cancelled, since the post-acquisition profit targets were not met. The group obtained a JSE ruling regarding this transaction.

In the current year 11 368 853 (2022: 481 873) shares were repurchased from the market for an amount of R11 765 596 (2022: R348 023). The average price paid was R1,03 (2022: R0,72).

Shares repurchased by a subsidiary and held in treasury amounted to R9 958 998 (2022: R22 124 587) at year-end, which are disclosed as a reduction of equity in the statement of changes in equity.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 18. SHARE-BASED PAYMENTS

In the 2017 financial year Insimbi entered into agreements for the implementation of an employee share participation transaction and a management share participation transaction in terms of which eligible employees of Insimbi (other than directors and prescribed officers of the group) collectively obtained an approximate 5,22% indirect shareholding interest in Insimbi Industrial Holdings Limited. This equates to 22 968 015 shares. There have been no changes to the number of securities used for the purposes of this scheme since the inception. The exercise price of the granted option is R1,14 and the value is R0,78 on the date of the grant.

Options are conditional on the employee completing five years' service (the vesting period), whereafter the options may be exercised in three one-year tranches (In 2022, 2023 and 2024). The group has no legal or constructive obligation to repurchase or settle the options in cash.

Share option group	2023			2022		
	Number	Option value	Total value	Number	Option value	Total value
Outstanding at the beginning of the year	22 835 887	0,78	17 814 059	22 835 887	0,78	17 814 059
Exercised during the year	(18 756 020)	0,78	(14 631 763)	–	0,78	–
Outstanding at the end of the year	4 079 867	0,78	3 182 296	22 835 887	0,78	17 814 059

Weighted average share price at exercise date of options (8 June 2022) was R1 (2022: R1).

In the current financial year, Insimbi decided to accelerate the vesting period and employees had the choice to exercise all of their options in the current year. Most of the employees elected to exercise all of their options, and the options were settled in cash.

### Information on options granted during the year

Fair value was determined using the Black-Scholes valuation model. The following inputs were used:

- Weighted average share price – R1,00
- Exercise price – R1,14
- Expected volatility – 67,9%
- Option life – 8 years
- Expected dividends – 7,62%
- The risk-free interest rate – 8,52%

Volatility has been determined by considering the historical volatility of the Insimbi Industrial Holdings Limited share, calculated as the annualised standard deviation of the continuously compounded daily returns of the underlying share under the assumption that the share is log-normally distributed. This is calculated over a period commensurate with the term of each tranche.

As a result of the accelerated vesting, and due to underperformance of the Insimbi shares in the period related to the scheme, R3 565 909 of expenses previously recognised were reversed in the current year on the exercise date. In 2022 expenses of R1 247 819 related to equity-settled share-based payments transactions were recognised. The remaining amount accumulated in reserves amounted to R3 600 821 (2022: R7 165 730).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 19. REVALUATION RESERVE

In 2013 the group changed its accounting policy for the treatment of land and buildings to the revaluation method in terms of IAS 16: Property, plant and equipment. The group has revalued its land and buildings under the revaluation model and the effect was as follows:

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Surplus on revaluation of land and buildings	52 560	60 061	–	–
Deferred taxation	(10 417)	(15 242)	–	–
	42 143	44 819	–	–

In the current year, the property in Metlite Alloy Properties was sold. This has resulted in a transfer from the revaluation reserve to Retained Earnings amounting to R4,44 million, as disclosed in the Statement of Changes in Equity.

## 20. LOANS FROM GROUP COMPANIES

### Subsidiaries

Amalgamated Metals Recycling Proprietary Limited	–	–	27 818	–
Metlite Alloy Properties Proprietary Limited	–	–	–	1 027
	–	–	27 818	1 027

The loans are unsecured, interest free, and have no fixed terms of repayment.

The balances disclosed approximate their fair values.

### Split between non-current and current portions

Current liabilities	–	–	27 818	1 027
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Refer to note 35 – Changes in liabilities arising from financing activities for details of the movement in loans from group companies during the reporting period.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>21. FINANCIAL LIABILITIES AT AMORTISED COST</b>				
<b>Held at amortised cost</b>				
<b>Secured</b>				
Absa Bank Limited – term loan	–	59 062	–	59 062
Absa Bank Limited – term loan 2	–	63 728	–	63 728
Absa Bank Limited – term loan 3	<b>100 800</b>	–	<b>100 800</b>	–
Absa Bank Limited – term loan 4	<b>48 000</b>	–	<b>48 000</b>	–
Absa Bank Limited – primary lending facility	<b>211 580</b>	156 507	<b>181 057</b>	156 507
Absa Bank Limited – receivables financing facility	<b>101 997</b>	111 822	–	–
First Rand Bank Limited – mortgage bonds	<b>22 339</b>	28 847	–	–
Absa Bank Limited – mortgage bonds	<b>20 624</b>	22 410	–	–
Casterly Rock Investments Proprietary Limited*	–	10 910	–	–
Golden Griffin Investments Proprietary Limited*	–	10 910	–	–
Crimson Clover Investments Proprietary Limited*	–	10 910	–	–
Texiflash Proprietary Limited*	–	19 952	–	19 952
Redeemable preference shares	<b>511</b>	25 240	–	–
Instalment sales	<b>22 972</b>	29 790	<b>856</b>	1 890
	<b>528 823</b>	550 088	<b>330 713</b>	301 139
<b>Split between non-current and current portions</b>				
Non-current liabilities	<b>173 794</b>	199 220	<b>126 400</b>	109 807
Current liabilities	<b>355 029</b>	350 868	<b>204 313</b>	191 332
	<b>528 823</b>	550 088	<b>330 713</b>	301 139
<b>Non-current liabilities</b>				
Absa Bank Limited – term loan	–	25 312	–	25 312
Absa Bank Limited – term loan 2	–	63 728	–	63 728
Absa Bank Limited – term loan 3	<b>78 400</b>	–	<b>78 400</b>	–
Absa Bank Limited – term loan 4	<b>48 000</b>	–	<b>48 000</b>	–
First Rand Bank Limited – mortgage bonds	<b>15 271</b>	22 784	–	–
ABSA Bank Limited – mortgage bonds	<b>18 405</b>	20 190	–	–
Casterly Rock Investments Proprietary Limited*	–	3 487	–	–
Golden Griffin Investments Proprietary Limited*	–	3 487	–	–
Crimson Clover Investments Proprietary Limited*	–	3 487	–	–
Texiflash Proprietary Limited*	–	19 952	–	19 952
Redeemable preference shares	<b>511</b>	25 240	–	–
Instalment sales	<b>13 207</b>	11 553	–	815
	<b>173 794</b>	199 220	<b>126 400</b>	109 807

\* Related parties of the group.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 21. FINANCIAL LIABILITIES AT AMORTISED COST CONTINUED

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Current liabilities</b>				
Absa Bank Limited – term loan	–	33 750	–	33 750
Absa Bank Limited – term loan 2	–	–	–	–
Absa Bank Limited – term loan 3	<b>22 400</b>	–	<b>22 400</b>	–
Absa Bank Limited – term loan 4	–	–	–	–
First Rand Bank Limited – mortgage bonds	<b>7 068</b>	6 063	–	–
ABSA Bank Limited – mortgage bonds	<b>2 219</b>	2 220	–	–
Absa Bank Limited – primary lending facility	<b>211 580</b>	156 507	<b>181 057</b>	156 507
Absa Bank Limited – receivables financing facility	<b>101 997</b>	111 822	–	–
Casterly Rock Investments Proprietary Limited*	–	7 423	–	–
Crimson Clover Investments Proprietary Limited*	–	7 423	–	–
Golden Griffin Investments Proprietary Limited*	–	7 423	–	–
Instalment sales	<b>9 765</b>	18 237	<b>856</b>	1 075
	<b>355 029</b>	350 868	<b>204 313</b>	191 332
	<b>528 823</b>	550 088	<b>330 713</b>	301 139

\* Related parties of the group.

Refer to note 35 – Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period.

### Absa Bank Limited – term loan

Interest rate – JIBAR + 310 basis points. The monthly capital repayment was R2 812 500 (2022: R2 390 620). This repayment escalated annually. In the current year, the outstanding amount on both existing term loans were refinanced, please refer to term loan 3 and term loan 4 below for further details.

### Absa Bank Limited – term loan 2

Interest rate – JIBAR + 380 basis points. There was no fixed monthly repayment, but interest was serviced monthly. In the current year, the outstanding amount on both existing term loans were refinanced, please refer to term loan 3 and term loan 4 below for further details.

### Absa Bank Limited – term loan 3

Interest rate – JIBAR + 280. The monthly capital repayment is R1 866 666,67. The interest rate at year end was 10,125%. The last repayment falls due on 31 August 2027.

### Absa Bank Limited – term loan 4

Interest rate – JIBAR + 350. There is no fixed monthly repayment, but interest is serviced monthly. The interest rate at year-end was 10,825%. The repayment falls due on 31 August 2027.

### Absa Bank Limited – primary lending facility

Interest rate – prime less 1%. The maximum amount that is permitted is R325 000 000 (2022: R255 000 000). The balance varies from month to month depending on the cash flow of the group and the company. The interest rate at year-end was 9,75% (2022: 6,5%).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 21. FINANCIAL LIABILITIES AT AMORTISED COST CONTINUED

### **Absa Bank Limited – receivables financing facility**

Interest rate – prime plus 0.35%. The maximum amount that is permitted is R250 000 000 (2022: R200 000 000). The facility was implemented in June 2021 as it better suited the nature of business of Treppo Group Proprietary Limited and its subsidiaries. The facility cannot be shared with other entities in the group, and debtors are funded in line with credit insurance limits. The balance varies from month to month depending on the invoicing and debtors' collections of Treppo Group Proprietary Limited. The interest rate at year-end was 11,1% (2022: 7,85%).

### **FirstRand Bank Limited – mortgage bonds**

Interest rate – prime less 0,25%. The monthly repayment is R542 333 (2022: R505 271). The loan is secured by the property held in Atlantis, Western Cape, the property held in Teakwood Road, Jacobs, KwaZulu-Natal, as well as the properties in Crocker Road, Wadeville. The interest rate at year-end was 10,5% (2022: 7,25%). The last repayment falls due on 1 July 2025.

### **Absa Bank Limited – mortgage bonds**

Interest rate – prime less 0,25%. The monthly repayment is R356 395.35 (2022: R318 332). The loan is secured by Erven 123 and 309 Phoenix Industrial Park, KwaZulu-Natal, and Erf 3499 Queensburgh Extension 20, KwaZulu-Natal. The interest rate at year-end was 10,5% (2022: 7,25%). The last repayment falls due on 7 November 2029.

### **Casterly Rock Investments Proprietary Limited (#)**

Interest rate – prime plus 2%. Interest is paid bi-annually, while the capital amount can be repaid at any time, but no later than the final repayment date, which falls due on 25 December 2024. The group has repaid R10 910 121 (2022: R11 789 000) of the capital in the current year in full and final settlement of the loan.

### **Crimson Clover Investments Proprietary Limited (#)**

Interest rate – prime plus 2%. Interest is paid bi-annually, while the capital amount can be repaid at any time, but no later than the final repayment date, which falls due on 25 December 2024. The group has repaid R10 910 121 (2022: R11 789 000) of the capital in the current year in full and final settlement of the loan.

### **Golden Griffin Investments Proprietary Limited (#)**

Interest rate – prime plus 2%. Interest is paid bi-annually, while the capital amount can be repaid at any time, but no later than the final repayment date, which falls due on 25 December 2024. The group has repaid R10 910 121 (2022: R11 789 000) of the capital in the current year in full and final settlement of the loan.

### **Texiflash Proprietary Limited (#)**

Interest rate – prime less 2,25%. Interest is paid bi-annually, while the capital amount can be repaid at any time, but no later than the final repayment date, which falls due on 30 November 2022. The profit warranty period linked to the acquisition of Treppo ended in November of 2022. Since the group did not meet their post-acquisition profit targets, the loan was waived in line with the acquisition transaction agreement.

### **Redeemable preference shares (#)**

Coupon rate – prime less 2,25%, multiplied by 72% per annum, compounded monthly in arrears. The following redemption of the preference share took place in the current year:

– 28 November 2022: R26 500 000 plus coupon on outstanding amount.

The redemption of the remaining preference share will be as follows:

– 5 December 2029: R500 000 plus coupon on outstanding amount.

### **Instalment sale agreements**

Interest rate – prime linked at 10,75% (2022: 7,5%). The agreements are secured by motor vehicles and plant and equipment with a net book value of R48 742 517 (2022: R31 653 688) and repayable in monthly instalments of R1 020 382 (2022: R1 766 625).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 21. FINANCIAL LIABILITIES AT AMORTISED COST CONTINUED

### Security

All the ABSA facilities are secured by a general notarial bond of R516 million over moveable assets, as well as cession of all loan accounts and debtors.

Insimbi Industrial Holdings Limited, Insimbi Alloy Supplies Proprietary Limited, Insimbi Aluminium Alloys Proprietary Limited, Insimbi Alloy Properties Proprietary Limited, Metlite Alloy Properties Proprietary Limited, Insimbi Nano Milling Proprietary Limited, Amalgamated Group Holdings Proprietary Limited, Group Wreck International Non-Ferrous Proprietary Limited and Treppo Group Proprietary Limited have signed a cross-deed of suretyship whereby each company bound themselves jointly and severally as surety and co-principle debtor to ABSA Bank Limited.

The First Rand Bank Limited mortgage bonds are secured by the properties in Atlantis, the property 174 Teakwood Road, Jacobs, Durban; and the property 360 Crocker Road, Wadeville.

The fire insurance policy entered into between the company and Santam Insurance Company Limited has been endorsed in favour of FirstRand Bank Limited's interest in regard to the general notarial covering bond over properties.

### Covenants

The group has certain covenants to comply with in terms of its borrowing agreements with Absa Bank. These covenants include gearing ratio, interest cover, asset to debt ratio and senior debt service ratio. In the current financial year management refinanced the term loans with Absa Bank as indicated above. The new agreement, which came into effect in August 2022, waived that clause relating to the repayment of vendor related debt (marked “#” above) which stated that payments to vendors may resume on the condition that for every R1 paid to vendors, 25c should be repaid on the ABSA term loan 2. The repayment of vendor related debt was suspended while the group was in breach of covenants. The group was not in breach of any of the measures during the year.

### Borrowing powers

In terms of the memorandum of incorporation, article 61, the borrowing powers of the company are unlimited.

### Borrowing facilities

The group has drawn R462 million from its total available facilities of R735 million (2022: R420 million from its total available facilities of R685 million).

### Fair value

For all the liabilities, except for the redeemable preference shares, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. These liabilities fall within level 2 of the fair value hierarchy as the current market rates are observable.

The redeemable preference shares were valued by discounting the cash flows at market related interest rates (prime rate).

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>22. LEASE LIABILITIES</b>				
<b>Minimum lease payments due</b>				
– within one year	3 977	4 552	–	–
– in second to fifth year inclusive	13 460	17 667	–	–
– later than five years	1 080	1 080	–	–
	<b>18 517</b>	23 299	–	–
<i>Less: future finance charges</i>	<b>(4 046)</b>	(5 765)	–	–
<b>Present value of minimum lease payments</b>	<b>14 471</b>	17 534	–	–
Non-current liabilities	11 997	14 647	–	–
Current liabilities	2 474	2 887	–	–
	<b>14 471</b>	17 534	–	–

The group leases various properties. Rental contracts are typically made for fixed periods of 5 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate. The group has used the incremental borrowing rate at the time the leases were recognised (10,25%).

A lease modification occurred in the current year. The lessor of one of the properties which the group is renting, has delayed the increase in the rental rate, which resulted in a remeasurement of the lease liability amounting to R198 371.

In the prior year a lease modification occurred when a portion of a rented property that was previously unused, were being utilised again which resulted in the rental being increased. This is resulted in an increase in the lease liability of R3 973 232.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

For other disclosures relating to leases, please refer to note 3 – property, plant and equipment, note 9 – lease receivables, note 29 – investment income and note 30 – finance costs.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>23. TRADE AND OTHER PAYABLES</b>				
<b>Financial instruments:</b>				
Trade payables	247 564	307 598	583	14
Accrued leave pay	4 437	3 883	932	663
Accrued bonus	10 972	29 391	1 869	14 212
Audit fees	3 116	2 974	729	488
Other accrued expenses*	8 469	15 707	2 044	2 767
<b>Non-financial instruments:</b>				
VAT	4 326	4 115	–	–
	<b>278 884</b>	<b>363 668</b>	<b>6 157</b>	<b>18 144</b>
<b>Exposure to currency risk</b>				
Other accrued expenses include accruals for export costs and duties, transport costs, municipal expenses, repairs and maintenance and professional fees.				
The net carrying amounts, in Rand, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.				
<b>Rand amount</b>				
Rand	222 594	282 821	6 157	18 144
US Dollar	6 144	15 597	–	–
Euro	45 820	61 135	–	–
	<b>274 558</b>	<b>359 553</b>	<b>6 157</b>	<b>18 144</b>
<b>Foreign currency amount</b>				
US Dollar	334	1 013	–	–
Euro	2 354	3 547	–	–
<b>Rand per unit of foreign currency</b>				
US Dollar	18,41	15,40	–	–
Euro	19,47	17,24	–	–

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts. 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.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	Note	GROUP		COMPANY	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>24. REVENUE</b>					
<b>Revenue from contracts with customers:</b>					
Sale of goods		5 646 567	6 005 406	–	–
Rendering of services		84 856	53 129	30 369	35 759
		<b>5 731 423</b>	6 058 535	<b>30 369</b>	35 759
<b>Disaggregation of revenue from contracts with customers:</b>					
<i>The group disaggregates revenue from customers as follows:</i>					
<b>Sale of goods</b>					
Sale of goods – Local		4 418 619	5 127 539	–	–
Sale of goods – Exports		1 227 948	877 867	–	–
		<b>5 646 567</b>	6 005 406	–	–
<b>Rendering of services</b>					
Administration and management fees received		–	–	29 657	35 050
Services revenue – Transport and insurance		84 144	52 420	–	–
Services revenue – Sample analysis		712	709	712	709
		<b>84 856</b>	53 129	<b>30 369</b>	35 759
<b>Total revenue from contracts with customers</b>		<b>5 731 423</b>	6 058 535	<b>30 369</b>	35 759
<b>Timing of revenue recognition</b>					
<b>At a point in time</b>					
Sale of goods		5 646 567	6 005 406	–	–
<b>Over time</b>					
Rendering of services		84 856	53 129	30 369	35 759
<b>Total revenue from contracts with customers</b>		<b>5 731 423</b>	6 058 535	<b>30 369</b>	35 759
Refer to segment report on page 100 for further disaggregation by nature of product and geographical destination.					
<b>25. COST OF SALES</b>					
Sale of goods		5 203 766	5 482 429	388	492
Cost of inventory expensed during the year was R4 940 396 071 (2022: R5 405 061 306). The cost of services are not considered to be material.					
<b>26. OTHER OPERATING INCOME</b>					
Rental income		143	69	–	–
Gain on extinguishment of loans <sup>#</sup>		17 631	11 211	19 952	–
Gain on lease modification (note 3)		198	27	–	–
Other income <sup>*</sup>		1 967	3 444	484	–
		<b>19 939</b>	14 751	<b>20 436</b>	–

\* Other income relates to the rental income of machinery in the Treppo Group.

# In the current year, the post acquisition profit warranty period of the Treppo group came to conclusion. As the profit warranties were not met, the loans from Texiflash Proprietary Limited was reduced prior to settlement.

^ In the prior year, as part of the settlement agreement reached with the vendors of Group Wreck Proprietary Limited (details of which can be found on SENS), the loans relating to Solimene Holdings Proprietary Limited, Ella Rose Property and Investments Proprietary Limited and Repo Metals Holdings Proprietary Limited were reduced prior to settlement.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	Note	GROUP		COMPANY	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>27. OTHER OPERATING GAINS/(LOSSES)</b>					
<b>Gains/(losses) on disposals, scrappings and settlements</b>					
Property, plant and equipment		2 016	7 392	–	–
<b>Foreign exchange gains/(losses)</b>					
Net foreign exchange gains/(losses)		(1 295)	(6 245)	–	–
Impairment of intercompany loans	8	–	–	(22 325)	–
<b>Total other operating gains/(losses)</b>		<b>721</b>	<b>1 147</b>	<b>(22 325)</b>	<b>–</b>
<b>28. OPERATING PROFIT/(LOSS)</b>					
Operating profit for the year is stated after charging/ (crediting) the following, amongst others:					
<b>Auditor's remuneration – external</b>					
Audit fees		3 112	3 913	849	647
<b>Remuneration, other than to employees</b>					
Consulting and professional services		14 093	6 523	3 940	2 094
<b>Employee costs</b>					
Salaries and wages*		149 576	140 170	(1 111)	2 589
Motor vehicle allowance		2 787	2 914	1 393	1 490
Medical aid contribution		2 841	2 763	435	661
Bonus and 13th cheque		16 766	37 797	3 746	16 098
Staff welfare		2 085	2 713	211	522
Retirement benefit plans: defined contribution expense		9 625	9 451	1 605	1 626
Skills development levy and UIF		4 679	14 033	496	394
Share-based compensation expense <sup>^</sup>		(3 566)	1 248	(3 566)	–
<b>Total employee costs</b>		<b>184 793</b>	<b>211 089</b>	<b>3 209</b>	<b>23 380</b>
<b>Depreciation and amortisation</b>					
Depreciation of property, plant and equipment	3	35 117	43 216	646	454
Amortisation of intangible assets	5	471	471	–	–
<b>Total depreciation and amortisation</b>		<b>35 588</b>	<b>43 687</b>	<b>646</b>	<b>454</b>
<b>Impairment losses</b>					
Reversal of expected credit losses	13	(3 923)	(44)	–	–
<b>Other expenses</b>					
Repairs and maintenance		17 550	20 792	67	127
Utilities		14 284	16 705	8	–
Fuel and vehicle related expenses		42 413	33 055	429	334

\* The reduction in salary cost in the company is due to recovery of expenses from the subsidiaries.

<sup>^</sup> Refer note 18 for further details.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>29. INVESTMENT INCOME</b>				
<b>Interest income</b>				
<b>Investments in financial assets:</b>				
Bank and other cash	334	416	–	1
Loans to subsidiaries*	–	–	9 423	14 994
Lease receivables	277	307	–	–
<b>Total interest income</b>	<b>611</b>	<b>723</b>	<b>9 423</b>	<b>14 995</b>
<b>Dividend income</b>				
Dividends received from subsidiaries	–	–	27 740	–
<b>Total investment income</b>	<b>611</b>	<b>723</b>	<b>37 163</b>	<b>14 995</b>
* Refer to note 8				
<b>30. FINANCE COSTS</b>				
Lease liabilities	1 647	1 936	–	–
Primary lending facility	14 377	14 423	13 069	14 423
Borrowings	41 919	45 672	11 457	8 884
Late payment to tax authorities	661	175	–	–
<b>Total finance costs</b>	<b>58 604</b>	<b>62 206</b>	<b>24 526</b>	<b>23 307</b>
<b>31. TAXATION</b>				
<b>Major components of the tax expense</b>				
<b>Current</b>				
Local income tax – current period	35 757	47 438	–	1 378
Adjustments in respect of prior years	–	1 664	–	–
	<b>35 767</b>	<b>49 102</b>	<b>–</b>	<b>1 378</b>
<b>Deferred</b>				
Originating and reversing temporary differences	6 008	(2 311)	2 089	(2 319)
Charged/credited to other comprehensive income	(2 165)	–	–	–
Change in effective tax rate	–	(872)	–	207
Adjustments in respect of prior years	(88)	(530)	(81)	(121)
	<b>3 755</b>	<b>(3 713)</b>	<b>2 008</b>	<b>(2 233)</b>
	<b>39 522</b>	<b>45 389</b>	<b>2 008</b>	<b>(855)</b>
	%	%	%	%
<b>Reconciliation of the tax expense</b>				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	28,00	28,00	28,00	28,00
Change in effective tax rate	0,16	(0,59)	(0,25)	(5,50)
Tax loss used	–	–	–	–
Current year losses for which a deferred tax asset was not raised	3,10	0,27	–	–
Exempt income <sup>‡</sup>	(7,57)	–	(37,49)	–
Allowances relating to learnerships implemented	(0,44)	(0,24)	–	3,96
Non-taxable capital gain portions	(0,23)	–	–	–
Disallowable charges*	3,94	2,18	15,56	(7,09)
Prior period adjustments arising from final income tax submissions	(0,05)	0,71	–	3,26
	<b>26,91</b>	<b>30,33</b>	<b>5,82</b>	<b>22,63</b>

\* Relates to non-deductible interest and expenses of a capital nature such as legal fees, share-based payment expenses and impairments.

<sup>‡</sup> In group this represents the gain on extinguishment of loan (note 26) and in company, this represents dividends received.

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profit is probable. The group did not recognise deferred tax assets of R25 589 954 (2022: R14 455 589) in respect of losses amounting to R94 777 609 (2022: R51 627 105).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 32. EARNINGS PER SHARE AND HEADLINE 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.

	GROUP 2023 R'000	GROUP 2022 R'000
<b>Basic earnings per share</b>		
From continuing operations (cents per share)	27,94	25,91
Basic earnings per share was based on earnings of R107,3 million (2022: R104,2 million) and a weighted average number of shares of 384 248 887 (2022: 402 381 906).		
<b>Reconciliation of profit or loss for the year to basic earnings (R'000)</b>		
Profit for the year	107 343	104 246
<b>Reconciliation of weighted average number of shares ('000)</b>		
Weighted number of shares in issue at the end of the year*	414 024	428 822
Less: Weighted number of treasury shares held in a subsidiary at the end of the period	(29 776)	(26 440)
	384 248	402 382
<b>Headline earnings per share</b>		
Headline earnings are determined by adjusting basic earnings by excluding separately identifiable remeasurement items. Headline earnings are presented after tax and non-controlling interest.	27,56	24,58

\* Refer note 17 for reduction in shares in issue

	Gross 2023 R'000	Nett 2023 R'000	Gross 2022 R'000	Nett 2022 R'000
<b>Reconciliation between earnings and headline earnings</b>				
Basic earnings		107 343		104 246
<b>Adjusted for:</b>				
(Profit) or loss on sale/scrapping of assets	(2 016)	(1 452)	(7 392)	(5 322)
Headline earnings		105 891		98 924

### Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has potentially dilutive share options.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculate as above is compared with the number of shares that would have been issued assuming the exercise of the options.

	2023 R'000	2022 R'000
Weighted average number of ordinary shares in issue ('000)	384 248	402 382
Adjusted for: Share options ('000)	4 430	15 816
Weighted average number of ordinary shares for diluted earnings per share ('000)	388 678	418 198
	cents	cents
Diluted earnings per share	27,62	24,93
Diluted headline earnings per share	27,24	23,65

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>33. CASH GENERATED FROM OPERATIONS</b>				
Profit before tax	146 865	149 635	31 750	(3 778)
<b>Adjustments for:</b>				
Depreciation and amortisation	35 588	43 687	645	454
Gains on disposals, scrappings and settlements of property, plant and equipment	(2 016)	(7 392)	–	–
Fair value on foreign exchange contracts	(2 804)	(723)	–	–
Foreign exchange loss on trade receivables and trade payables	–	858	–	–
Income from equity-accounted investments	(5 067)	(4 614)	–	–
Investment income	(611)	(723)	(37 163)	(14 995)
Finance costs	58 604	62 206	24 526	23 307
Gain on extinguishment of other financial liabilities	(19 952)	(11 211)	(19 952)	–
Gain on lease modification and derecognition	(198)	(27)	–	–
Reversal of contingent consideration	(870)	–	–	–
Expected credit losses	(3 923)	44	–	–
Inventory write-downs	(3 245)	9 048	–	–
Share-based payments	(3 566)	1 248	(3 566)	–
Other non-cash items	2 018	2 515	(599)	736
Impairment of intercompany loans	–	–	22 325	–
Rent not paid in cash	–	–	1 001	–
Management fees, salary recoveries and other expense recoveries not received in cash	–	–	(52 168)	(73 211)
<b>Changes in working capital:</b>				
Inventories	26 362	(138 343)	–	–
Trade and other receivables	15 347	97 220	(3 998)	7 773
Trade and other payables	(84 784)	32 359	(11 504)	9 385
	157 748	235 787	(48 703)	(50 329)
<b>34. TAX PAID</b>				
Balance at beginning of the year	(6 875)	(7 587)	(2 943)	(1 814)
Current tax for the year recognised in profit or loss	(35 767)	(49 102)	–	(1 378)
Other non-cash movement	3 238	–	–	–
Balance at end of the year	11 855	6 875	1 345	2943
	(27 549)	(49 814)	(1 598)	(249)

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 35. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

### Reconciliation of liabilities arising from financing activities

	Note	Opening balance R'000	Instal- ment sales R'000	New leases R'000	Lease modifi- cation* R'0000	Other non-cash move- ments R'000	Total non-cash move- ments R'000	Cash flows R'000	Closing balance R'000
<b>GROUP</b>									
<b>2023</b>									
Financial liabilities at amortised cost	21	550 088	16 296	–	–	(19 952)*	(3 656)	(17 609)	528 823
Derivatives	14	312	–	–	–	2 492	2 492	(312)	2 492
Lease liabilities	22	17 534	–	–	(198)	(130)	(328)	(2 735)	14 471
		567 934	16 296	–	(198)	(17 590)	1 958	(24 106)	545 786
<b>2022</b>									
Financial liabilities at amortised cost	21	712 266	14 229	–	–	(7 608)	6 621	(168 799)	550 088
Derivatives	14	723	–	–	–	312	312	(723)	312
Lease liabilities	22	11 029	–	4 715	3 973	–	8 688	(2 183)	17 534
		724 018	14 229	4 715	3 973	(7 296)	15 621	(171 705)	567 934

\* This non-cash movement represents a gain on extinguishment of loans, please refer to note 26.

	Note	Opening balance R'000	Installment sales R'000	Other non-cash move- ments R'000	Cash flows R'000	Closing balance R'000
<b>COMPANY</b>						
<b>2023</b>						
Financial liabilities at amortised cost	21	301 139	–	(19 952)	49 526	330 713
Loans from group companies	20	1 027	–	27 818	(1 027)	27 818
<b>Total liabilities from financing activities</b>		<b>302 166</b>	<b>–</b>	<b>7 866</b>	<b>48 499</b>	<b>358 531</b>
<b>2022</b>						
Financial liabilities at amortised cost	21	464 973	–	–	(163 834)	301 139
Loans from group companies	20	775	–	–	252	1 027
<b>Total liabilities from financing activities</b>		<b>465 748</b>	<b>–</b>	<b>–</b>	<b>(163 582)</b>	<b>302 166</b>

## 36. DIVIDENDS PAID

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Dividends	11 367	–	12 060	–

Dividends are from capital profits. An interim dividend of 3 cents per share was declared on 18 October 2022, and paid on 7 November 2022.

A final dividend of 5 cents per share was declared.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 37. DIRECTORS' EMOLUMENTS AND INTERESTS

### Directors' and prescribed officers' emoluments

Emoluments paid to directors and prescribed officers of the group are as set out below:

	Fees 2023 R'000	Salary 2023 R'000	Expense allow- ances* 2023 R'000	Pension fund contri- butions 2023 R'000	Incentive bonus 2023 R'000	Share- based pay- ments 2023 R'000	Total 2023 R'000	Total 2022 R'000
<b>Executive</b>								
F Botha	–	3 663	1 327	–	4 722	–	9 712	8 009
C Coombs <sup>1</sup>	–	3 786	193	–	3 289	–	7 268	6 347
N Winde	–	2 174	9	223	2 315	167	4 888	2 396
<b>Total executive</b>	–	9 623	1 529	223	10 326	167	21 868	16 752
<b>Non-executive</b>								
RI Dickerson	676	–	–	–	–	–	676	643
IP Mogotlane <sup>2</sup>	314	–	–	–	–	–	314	395
N Mwale	393	–	–	–	–	–	393	362
C Ntshingila	455	–	–	–	–	–	455	449
<b>Total non-executive</b>	1 838	–	–	–	–	–	1 838	1 849
<b>Prescribed officers</b>								
EP Liechti	–	3 103	498	–	2 712	–	6 313	3 114
CF Botha	–	2 460	799	–	345	–	3 604	2 861
D de Beer	–	2 674	129	20	384	292	3 499	2 567
S Green	–	1 968	252	211	700	375	3 506	2 382
CM Lindeque <sup>3</sup>	–	1 057	233	129	1 645	–	3 064	2 650
M Oppert <sup>4</sup>	–	1 716	17	–	–	–	1 733	3 365
A Oppert <sup>5</sup>	–	893	–	–	–	–	893	1 787
B Antonio <sup>6</sup>	–	1 659	59	–	273	–	1 991	–
K Rossouw <sup>7</sup>	–	655	–	–	108	–	763	–
<b>Total prescribed officers<sup>8</sup></b>	–	16 185	1 987	360	6 167	667	25 366	18 726
<b>Total</b>	1 838	25 808	3 516	583	16 493	834	49 072	37 327

\* Includes medical aid and travel allowances.

<sup>1</sup> Resigned as director on 6 February 2023 to maintain the balanced composition and level of independence of the Board.

<sup>2</sup> Resigned 18 January 2023.

<sup>3</sup> Resigned 15 December 2022.

<sup>4</sup> Retired 30 August 2022.

<sup>5</sup> Retired 30 August 2022.

<sup>6</sup> Appointed as director of subsidiary on 1 September 2022.

<sup>7</sup> Appointed as director of subsidiary on 1 September 2022.

<sup>8</sup> Paid by the relevant subsidiary.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 37. DIRECTORS' EMOLUMENTS AND INTERESTS CONTINUED

### Directors' and prescribed officers' interests

As at 28 February 2023, the directors' and prescribed officers' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company amounted to 47,89% (2022: 50,81%) in aggregate. The interests of the directors and prescribed officers are as follows:

	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Directors</b>								
F Botha	–	36 847 300	<b>36 847 300</b>	–	–	–	<b>288 376</b>	288 376
C Coombs	–	–	<b>21 950 200</b>	21 950 200	–	–	–	–
N Mwale	–	–	–	–	–	–	<b>82 000 000*</b>	82 000 000*
IP Mogotlane	–	–	–	–	–	–	<b>82 000 000*</b>	82 000 000*
RI Dickerson	–	–	–	–	–	–	<b>82 000 000*</b>	82 000 000*
<b>Prescribed officers</b>								
CF Botha	<b>23 680 754</b>	26 940 034	–	–	–	–	<b>250 000</b>	250 000
EP Liechti	<b>19 517 724</b>	24 000 000	–	–	–	–	<b>250 000</b>	250 000
S Green	<b>113 426</b>	–	–	–	–	–	–	–
<b>Total</b>	<b>43 311 904</b>	87 787 334	<b>58 797 500</b>	21 950 200	–	–	<b>788 376</b>	82 788 376

\* 82 000 000 shares held by New Seasons Investment Holdings Proprietary Limited; not by individual directors (now K2017289277 (South Africa) Proprietary Limited – NS InvestCo)

There have been no changes to the Directors' and Prescribed Officer's interests between 28 February 2023 and the date of this report.

The current EmployeeCo and ManCo share ownership schemes do not involve direct ownership in Insimbi by management, as the portion of shares that have vested, had been settled in cash, and not in shares.

## 38. RELATED PARTIES

### Relationships

Subsidiaries	Refer to note 6
Joint ventures	Refer to note 6
Members of key management	Directors of the group as per note 37 meet the definition of key management personnel.

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Related party balances</b>				
<b>Loan accounts – owing (to)/by related parties</b>				
<b>Subsidiaries</b>				
Amalgamated Metals Group Holdings Proprietary Limited	–	–	<b>2 227</b>	2 227
Amalgamated Metals Recycling Proprietary Limited	–	–	<b>(27 818)</b>	9 229
Insimbi Alloy Properties Proprietary Limited	–	–	<b>20 296</b>	11 022
Insimbi Alloy Supplies Proprietary Limited	–	–	<b>189 296</b>	163 694
Insimbi Aluminium Alloys Proprietary Limited	–	–	<b>65 800</b>	43 550
Insimbi EmployeeCo Proprietary Limited	–	–	–	2
Insimbi Manco Proprietary Limited	–	–	–	2
Insimbi Nano Milling Proprietary Limited	–	–	–	663
Insimbi Plastics Proprietary Limited	–	–	–	31 275
Metlite Alloy Properties Proprietary Limited	–	–	–	(1 027)
Treppo Group Proprietary Limited	–	–	<b>74 662</b>	69 636
Fragcorp Proprietary Limited	–	–	<b>12 000</b>	12 000

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 38. RELATED PARTIES CONTINUED

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Shareholders</b>				
Crimson Clover Investments Proprietary Limited*	–	(10 910)	–	–
Casterly Rock Investments Proprietary Limited*	–	(10 910)	–	–
Golden Griffin Investments Proprietary Limited*	–	(10 910)	–	–
Texiflash Proprietary Limited*	–	(19 952)	–	(19 952)
<b>Redeemable preference shares owing to related parties</b>				
Texiflash Proprietary Limited*	(511)	(25 240)	–	–
<b>Trade and other receivables due from subsidiaries</b>				
Insimbi Alloy Supplies Proprietary Limited	–	–	36	29
Amalgamated Metals Recycling Proprietary Limited	–	–	252	156
Group Wreck International Non-Ferrous Proprietary Limited	–	–	–	160
Fragcorp Proprietary Limited	–	–	–	494
Treppo Group Proprietary Limited	–	–	307	1 474
<b>Related party transactions</b>				
<b>Management fees received from subsidiaries</b>				
Amalgamated Metals Recycling Proprietary Limited	–	–	(15 972)	(21 700)
Insimbi Alloy Supplies Proprietary Limited	–	–	(13 500)	(13 350)
<b>Purchases from related parties</b>				
Honeydew Metals Recycling Proprietary Limited #	–	12 592	–	–
<b>Sales of goods to subsidiaries</b>				
Insimbi Alloy Supplies Proprietary Limited	–	–	(256)	(310)
Insimbi Aluminium Alloys Proprietary Limited	–	–	(2)	(8)
Minerals 2 Metals Proprietary Limited	–	–	(21)	(2)
<b>Interest received from subsidiaries</b>				
Insimbi Alloy Supplies Proprietary Limited	–	–	(8 157)	(11 445)
Insimbi Aluminium Alloys Proprietary Limited	–	–	(7 294)	(3 549)
<b>Dividends received from subsidiaries</b>				
Insimbi Alloy Supplies Proprietary Limited	–	–	(9 423)	–
Insimbi Alloy Properties Proprietary Limited	–	–	(9 980)	–
Insimbi EmployeeCo Proprietary Limited	–	–	(10 790)	–
<b>Rent paid to subsidiaries</b>				
Insimbi Alloy Properties Proprietary Limited	–	–	1 001	–

\* Related parties, as they hold shares in Insimbi Industrial Holdings. Please refer to the shareholder analysis on page 102.

# Owned by a close family member of key management.

Related party balance outstanding are unsecured, and will be settled in cash.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Capital risk management

#### Overview

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

The capital structure of the group and company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 21 and 22 and cash and cash equivalents disclosed in note 15, 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 shareholders, return capital to shareholders, 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.

There have been no changes to what the group manages as capital or the strategy for capital maintenance. There are externally imposed capital requirements by ABSA Bank (refer to note 21).

	Notes	GROUP		COMPANY	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
<b>Total borrowings</b>					
Loans from group companies	20	–	–	27 818	1 027
Total financial liabilities at amortised cost	21	528 823	550 088	330 713	301 139
		528 823	550 088	358 531	302 166
<i>Minus: Cash and cash equivalents</i>	15	(97 076)	(57 379)	(1)	–
Net debt		431 747	492 709	358 530	302 166
Total equity		702 141	616 171	157 330	169 644
Gearing ratio (%)		61%	80%	228%	178%

### Risk management

#### Financial risk management

The group's activities expose it to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The group does not apply hedge accounting, but makes use of economic hedges.

The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

There have been no substantive changes to the group's exposure to financial instruments risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note. Information disclosed has been disaggregated where the financial information used by the company has different economic characteristics and market conditions.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on trade and other receivables, lease receivables and cash and cash equivalents. The company is also exposed to credit risk on loans to group companies.

The group reviews the recoverable amount of their financial assets at each statement of financial position date to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk exposure arising on cash and cash equivalents is limited because the cash and cash equivalents are composed of deposits with major banks who have strong credit ratings (BB+) assigned by international credit rating agencies and have low risk of default.

Additional information on credit risk is included in notes 8, 9 and 13.

The maximum exposure to credit risk is presented in the table below. Where the credit loss allowances is disclosed as Rnil, no expected credit loss has been raised.

	Notes	2023			2022		
		Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
<b>GROUP</b>							
Lease receivables	9	2 520	–	2 520	2 848	–	2 848
Trade and other receivables	13	560 933	(2 077)	558 856	581 217	(6 000)	575 217
Cash and cash equivalents	15	97 076	–	97 076	57 379	–	57 379
		<b>660 529</b>	<b>(2 077)</b>	<b>658 452</b>	641 444	(6 000)	635 444
<b>COMPANY</b>							
Loans to group companies	8	364 281	–	364 281	343 300	–	343 300
Trade and other receivables	13	1 018	–	1 018	1 985	–	1 985
Cash and cash equivalents	15	1	–	1	–	–	–
		<b>365 300</b>	<b>–</b>	<b>365 300</b>	345 285	–	345 285

### Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored, and the group maintains agreed facilities with reputable financial institutions. Please refer to note 21 for further details. Furthermore, security has been provided for long-term loans and instalment sale liabilities.

Regular meetings are held with the group's bankers to discuss facilities required to meet the group's financial obligations and where agreed primary lending facility and loan facilities are amended. Summaries of the group's and company's bank accounts are prepared daily for review, and based on these summaries, decisions are made to transfer excess funds from the main current account to other facilities in order to reduce the interest cost to the group and company.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### Liquidity risk *continued*

The maturity profile of contractual cash flows of non-derivative financial liabilities held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	Notes	Less than 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total	Carrying amount
<b>GROUP</b>							
<b>2023</b>							
<b>Non-current liabilities</b>							
Financial liabilities at amortised cost	21	–	132 433	75 173	7 484	215 090	173 794
Lease liabilities	22	–	7 673	5 787	1 080	14 540	11 997
<b>Current liabilities</b>							
Trade and other payables	23	274 558	–	–	–	274 558	274 558
Financial liabilities at amortised cost	21	376 696	–	–	–	376 696	355 029
Lease liabilities	22	3 977	–	–	–	3 977	2 474
		<b>655 231</b>	<b>140 106</b>	<b>80 960</b>	<b>8 564</b>	<b>884 861</b>	<b>817 852</b>
<b>2022</b>							
<b>Non-current liabilities</b>							
Financial liabilities at amortised cost	21	–	173 552	10 349	17 962	201 863	199 220
Lease liabilities	22	–	7 889	9 778	1 080	18 747	14 647
<b>Current liabilities</b>							
Trade and other payables	23	359 553	–	–	–	359 553	359 553
Financial liabilities at amortised cost	21	394 694	–	–	–	394 694	350 868
Lease liabilities	22	4 552	–	–	–	4 552	2 887
		758 799	181 441	20 127	19 042	979 409	927 175
<b>COMPANY</b>							
<b>2023</b>							
<b>Non-current liabilities</b>							
Financial liabilities at amortised cost	21	–	97 098	62 120	–	159 218	126 400
<b>Current liabilities</b>							
Trade and other payables	23	6 157	–	–	–	6 157	6 157
Loans from group companies	20	27 818	–	–	–	27 818	27 818
Financial liabilities at amortised cost	21	219 115	–	–	–	219 115	204 313
		<b>253 090</b>	<b>97 098</b>	<b>62 120</b>	<b>–</b>	<b>412 308</b>	<b>365 171</b>
<b>2022</b>							
<b>Non-current liabilities</b>							
Financial liabilities at amortised cost	21	–	117 103	3 332	–	120 435	109 807
<b>Current liabilities</b>							
Trade and other payables	23	18 144	–	–	–	18 144	18 144
Loans from group companies	20	1 027	–	–	–	1 027	1 027
Financial liabilities at amortised cost	21	202 172	–	–	–	202 172	191 332
		221 343	117 103	3 332	–	341 778	320 310

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### Financing facilities

At year-end the group had R273 million (2022: R265 million) available in unutilised facilities. This amount can be utilised to settle trade payables should it be necessary. The facility can also be used for future expansion of the business.

### Foreign currency risk

The group operates internationally and is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollar and Euro.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

### Exchange rates

	GROUP		COMPANY	
	2023	2022	2023	2022
<b>Rand per unit of foreign currency:</b>				
US Dollar	18,41	15,40	–	–
Euro	19,47	17,24	–	–

### Forward exchange contracts

Fair value risk arises on the mark to market of forward exchange contracts. The effect of this risk is shown below. The major risk lies in exposure to the US Dollar and Euro. The assumptions used are consistent with the prior year and represent management's best estimate of potential fluctuations in exchange rates.

The group reviews its foreign exchange exposure, including commissions, on an ongoing basis. The notional principal amounts of the outstanding forward exchange rate contracts at year-end were R89 506 423 (2022: R92 703 740) and are expected to mature within the next 12 months.

### Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. The impact shown is after taking into account the effect of tax. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate	2023	2023	2022	2022
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
<b>GROUP</b>				
<b>Impact on foreign trade payables</b>				
US Dollar 5% (2022: 5%)	(17)	17	(18)	18
Euro 5% (2022: 5%)	(118)	118	(172)	172
<b>Impact on foreign trade receivables</b>				
US Dollar 5% (2022: 5%)	40	(40)	484	(184)
Euro 5% (2022: 5%)	3	(3)	4	(4)
<b>Impact on foreign bank</b>				
US Dollar 5% (2022: 5%)	91	(91)	42	(42)
Euro 5% (2022: 5%)	–	–	–	–

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### Interest rate risk

The group's interest rate risk arises from the use of variable interest rate instalment sale liabilities, variable short and long-term borrowings and bank accounts that are carried at amortised cost. Future changes to prime lending rates will have a direct impact on the future cash payments towards the settlement of the financial obligations. The risk remains unhedged at the reporting date. Exposure to interest rate risk is monitored month to month and on a case-by-case basis, which includes consideration of fixed versus floating interest rates.

Certain interest rates at year-end were linked to the prime overdraft rates. The prime overdraft rate at year-end was 10,75% (2022: 7,5%).

Interest rates on all borrowings compare favourably with those rates available in the market.

### Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 28 February 2023, if the interest rate (JIBAR or prime) had been 1% per annum (2022: 2%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R3 770 523 (2022: R11 456 832) lower and R3 770 523 (2022: R11 456 832) higher.

The group is sensitive to the movements in the ZAR interest rates which are the primary interest rates to which the group is exposed. The group has used a sensitivity analysis technique that measures the estimated change to the statement of comprehensive income of an instantaneous increase or decrease, as detailed above, in market interest rates on financial liabilities from the applicable rate as at year-end, for each class of financial instrument with all other variables remaining constant. It has been established by management that interest rate fluctuations on cash denominated in foreign currencies are immaterial. The calculations were determined with reference to the outstanding financial liability and financial asset balances. This represents no change from the prior period in the method and assumptions used.

The above sensitivity analysis is for illustrative purposes only and represents management's best estimate of reasonably possible changes in interest rates.

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the year ended 28 February 2023

## 40. GOING CONCERN

When assessing the group's ability to continue as a going concern, management has prepared various scenarios and models to assess the future of the group.

During these assessments management revised forecast sales and profits on an ongoing basis as new information became available. Management also assessed the impact on the supply chain and customer base, as well as any potential impacts on commodity prices (including oil and metal prices) and fluctuating exchange rates.

Some of the group's financial liabilities at amortised cost (refer note 21) are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. When the covenant clause is breached, the lender is contractually entitled to request immediate repayment of the outstanding loan amount.

Management is comfortable that the group will be able to continue as a going concern and does not expect any breaches in these covenant clauses in the foreseeable future.

The annual financial statements 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.

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## 41. SUBSEQUENT EVENTS

The directors are not aware of any material facts or circumstances after 28 February 2023 to date of this report that will affect the results being reported, or that will warrant additional disclosure.

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# SEGMENTAL REPORT

for the year ended 28 February 2023

The management Executive Committee is the group's chief operations decision-making unit.

Management considered a combination of factors, including geographical, product types and managerial structure, to determine the operating and reporting segments. Management has determined the operating segments based on the reports reviewed and this is supported by management reporting disciplines, which include monthly variance reporting. The management Executive Committee assesses the performance of the operating segments based on sales and gross profit margin.

The main industries serviced by the Insimbi Group are the non-ferrous, ferrous, plastics and refractory industries. These are the operating segments of the group whose results are regularly reviewed by the Executive Committee. The group sells to a diverse customer base. The group has one customer who represents more than 10% of total revenue for the group. This customer falls within the non-ferrous operating segment, and the revenue earned from this customer during the current year amounted to R1,0 billion.

**Non-ferrous** – Consists of the divisions which service the foundry and non-ferrous industry, both automotive and heavy aluminium industry (mainly deoxidation market), and the powder coating industry. This now also includes the supply of various Non-ferrous recycled metals.

**Refractory** – Consists of the divisions that service the steel and cement industry's refractory requirements as well as the supply of industrial heat resistant textiles.

**Ferrous** – This segment supplies both steel and polypropylene fibres, services the welding and optical industries and supplies in the steel industry's raw material requirements. This now also includes the supply of various ferrous-based recycled metals.

**Plastics** – Consists of the divisions that service the plastic packaging industry, including chemical, agricultural and food industries.

The segments reported on in the annual report are identical to the operating segments identified and management is satisfied that the operating segments are appropriately aggregated.

	Non-ferrous R'000	Ferrous R'000	Refractory R'000	Plastics R'000	Total R'000
<b>2023</b>					
<b>Revenue</b>					
Sale of goods – local	2 708 434	1 541 962	150 172	18 051	4 418 619
Sale of goods – exports	975 181	252 767	–	–	1 227 948
Rendering of services – transport and insurance	30 877	53 203	64	–	84 144
Rendering of services – sample analysis	712	–	–	–	712
	3 715 204	1 847 932	150 236	18 051	5 731 423
<b>Cost of sales</b>	(3 324 608)	(1 727 864)	(134 767)	(16 527)	(5 203 766)
<b>Gross profit</b>	390 596	120 068	15 469	1 524	527 657
Other income and operating gains or (losses)	18 315	2 345	–	–	20 660
<b>Profit before operating and administration expenses</b>	408 911	122 413	15 469	1 524	548 317
<b>Operating and administration expenses and operating losses</b>					
Communication	2 826	338	67	105	3 336
Employee cost	141 755	36 909	2 555	3 574	184 793
Motor vehicle expenses	39 678	2 027	137	656	42 498
Occupancy	28 578	6 687	–	1 998	37 263
Other expenses*	58 075	20 898	264	1 399	80 636
	270 912	66 859	3 023	7 732	348 526
<b>Operating profit</b>	137 999	55 554	12 446	(6 208)	199 791

\* Includes depreciation, repairs and maintenance, impairments and other operating expenses. Of these costs, depreciation (R35,2 million) is the largest, but it would take undue cost and effort to accurately split this information further into each segment.

## SEGMENTAL REPORT *continued*

for the year ended 28 February 2023

	Non-ferrous R'000	Ferrous R'000	Refractory R'000	Plastics R'000	Total R'000
<b>2022</b>					
<b>Revenue</b>					
Sale of goods – local	3 010 955	1 913 999	153 828	48 757	5 127 539
Sale of goods – exports	734 094	143 773	–	–	877 867
Rendering of services – transport and insurance	27 322	24 864	234	–	52 420
Rendering of services – sample analysis	709	–	–	–	709
	3 773 080	2 082 636	154 062	48 757	6 058 535
<b>Cost of sales</b>	3 352 261	1 957 101	139 337	33 730	5 482 429
<b>Gross profit</b>	420 819	125 535	14 725	15 027	576 106
Other income and operating gains	12 218	3 804	–	124	15 898
<b>Profit before operating an administration expenses</b>	433 037	129 339	14 725	14 903	592 004
<b>Operating and administration expenses and operating losses</b>					
Communication	2 731	494	37	85	3 347
Employee cost	161 587	39 751	2 639	7 112	211 089
Motor vehicle expenses	30 511	1 346	184	1 014	33 055
Occupancy	29 766	13 704	–	3 872	47 342
Other expenses*	67 875	20 054	197	2 541	90 667
	292 470	75 349	3 057	14 624	385 500
<b>Operating profit</b>	140 567	53 990	11 668	279	206 504

\* Includes depreciation, repairs and maintenance, impairments and other operating expenses. Of these costs, depreciation (R35,2 million) is the largest, but it would take undue cost and effort to accurately split this information further into each segment.

### GEOGRAPHICAL INFORMATION

Revenues from external customers by country, based on the destination of the customer

	2023 R'000	2022 R'000
Africa	138 666	133 613
Asia	584 346	397 668
Australia	2 822	18 758
Europe	487 191	318 694
North and South America	14 923	9 134
South Africa	4 503 475	5 180 668
	5 731 423	6 058 535

# SHAREHOLDER ANALYSIS

for the year ended 28 February 2023

	Number of shareholdings	%	Number of shares	%
<b>Shareholder spread</b>				
1 – 5 000 shares	4 077	87,38	1 241 916	0,32
5 001 – 50 000 shares	456	9,77	8 512 738	2,21
50 001 – 100 000 shares	46	0,99	3 487 479	0,91
100 001 – 250 000 shares	42	0,90	6 985 126	1,82
250 001 – 500 000 shares	13	0,28	4 591 760	1,19
500 001 – 1 000 000 shares	7	0,15	5 751 000	1,50
1 000 001 shares and over	25	0,54	353 902 893	92,05
<b>Totals</b>	<b>4 666</b>	<b>100,00</b>	<b>384 472 912</b>	<b>100,00</b>
<b>Distribution of shareholders</b>				
Banks/Brokers	11	0,24	63 338 915	16,47
Close Corporations	16	0,34	537 610	0,14
Employee and Management Schemes	1	0,02	10 106 915	2,63
Endowment funds	2	0,04	17 661	0,00
Individuals	4 555	97,62	83 306 676	21,67
Mutual funds	1	0,02	12 291 275	3,20
Other corporations	12	0,26	119 612	0,03
Private companies	32	0,69	209 316 841	54,44
Public companies	1	0,02	708	0,00
Treasury stock	1	0,02	1 846 079	0,48
Trusts	34	0,73	3 590 620	0,93
<b>Totals</b>	<b>4 666</b>	<b>100,00</b>	<b>384 472 912</b>	<b>100,00</b>
<b>Public/non-public shareholders</b>				
<b>Non-public shareholders</b>	<b>18</b>	<b>0,39</b>	<b>239 901 274</b>	<b>62,40</b>
Directors and associates of the company	6	0,13	80 834 154	21,02
Prescribed Officers of the company	1	0,02	113 426	0,03
Strategic holder (more than 10%)	1	0,02	82 000 000	21,33
Treasury shares	1	0,02	1 846 079	0,48
Employee and management schemes	1	0,02	10 106 915	2,63
Related holdings	8	0,17	65 000 700	16,91
<b>Public shareholders</b>	<b>4 648</b>	<b>99,61</b>	<b>144 571 638</b>	<b>37,60</b>
<b>Totals</b>	<b>4 666</b>	<b>100,00</b>	<b>384 472 912</b>	<b>100,00</b>
<b>Beneficial shareholders including those holding 5% or more</b>				
NS Investco			82 000 000	21,33
African Goshawk Proprietary Limited			36 847 300	9,58
Pruta Securities			34 410 000	8,95
Jacana Assets Limited			24 300 000	6,32
Botha, CF			23 680 754	6,16
Casterly Rock Investments Proprietary Limited			20 770 100	5,40
Golden Griffin Investments Proprietary Limited			20 765 100	5,40
Credit Suisse Zurich			19 934 330	5,18
Crimson Clover Investments Proprietary Limited			19 880 100	5,17
Liechti, EP			19 517 724	5,08
			<b>302 105 408</b>	<b>78,58</b>



# NOTICE OF ANNUAL GENERAL MEETING

for the year ended 28 February 2023

**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 is hereby given that the 16<sup>th</sup> annual general meeting of shareholders will be held at Insimbi Offices at 359 Crocker Road, Wadeville, Germiston, on Monday, 31 July 2023 at 10:00 (AGM), to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice. Insimbi will be assisted by Computershare Investor Services Proprietary Limited (the company's Transfer Secretaries) who will also act as scrutineers.

## Salient dates

The following dates apply to the AGM:

- The Record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 23 June 2023.
- The Last day to trade in order to be eligible to participate and vote at the AGM is Tuesday, 18 July 2023.
- The Record date for shareholders to be recorded in the securities register of Insimbi in order to be able to attend, participate and vote at the AGM is Friday, 21 July 2023.
- Shareholders to lodge forms of proxy by 10:00 on Thursday 27 July 2023.

## Electronic participation at the AGM (section 61(10) of the Companies Act, 2008 No.71 of 2008 (the Act))

1. Shareholders wishing to participate electronically at the meeting are required to deliver written notice to the Company Secretary, with a copy to the company's Transfer Secretaries, by no later than 48 hours before the meeting (i.e. by 10:00 on Thursday, 27 July 2023), stating that they wish to participate via electronic communication at the meeting (the electronic notice).
2. Note that shareholders will merely be able to participate, but not vote, via electronic communication.
3. In order for the electronic notice to be valid it must contain:
  - 3.1. If the shareholder is an individual, a certified copy of his/her identity document and/or passport;
  - 3.2. If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out which individual from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
  - 3.3. A valid email address and/or facsimile number (the contact address/number).
4. The company shall use its reasonable endeavours to communicate with each shareholder who/which has delivered a valid electronic notice by notifying such shareholder at its contact address/number of the relevant details through which the shareholder may participate via electronic communication.
5. The company reserves the right not to provide for electronic participation at the meeting in the event that it proves impractical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder accessing the electronic participation. This document is important; please read the notes at the end of this notice, which contain important information regarding shareholders' participation at the AGM.

## ORDINARY RESOLUTIONS

Unless otherwise indicated, in order for each of the ordinary resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as ordinary resolutions:

### Adoption of the annual financial statements

The audited annual financial statements for the year ended 28 February 2023, as set out in the annual report and which can be found on the company's website at [www.insimbi-group.co.za](http://www.insimbi-group.co.za) will be presented to the shareholders.

#### Ordinary resolution number one

"Resolved that the audited group and company annual financial statements for the year ended 28 February 2023, including the reports of the directors, the auditor and the Audit and Risk Committee, be and are hereby received and approved."

# NOTICE OF ANNUAL GENERAL MEETING *continued*

for the year ended 28 February 2023

## ORDINARY RESOLUTIONS CONTINUED

### Confirmation and re-election of directors

The company's memorandum of incorporation (Mol) stipulates that:

- The appointment of any director to fill a vacancy or as an addition to the board must be confirmed at the next AGM;
- At each AGM at least one-third of the non-executive directors shall retire from office, the directors so retiring being those who have been longest in office since their last election; and
- The retiring directors shall be eligible for re-election.

The board has considered the performance of the directors standing for re-election and found them suitable for re-appointment.

Ordinary resolution two is accordingly proposed in respect of:

- The re-appointment of the only other non-executive director who retires by rotation in accordance with the Mol, being Mr N Mwale but who has made himself available for re-election.

A brief résumé of Mr N Mwale appears on page 17 of the integrated annual report to which this AGM notice is attached.

### Ordinary resolution number two

**"Resolved that** Mr N Mwale, who retires by rotation in terms of the company's Mol, and being eligible, offers himself for re-election, be and is hereby re-elected as non-executive director of the company."

### Appointment of Audit and Risk Committee

Section 94 of the Act requires that at each AGM shareholders of the company elect an Audit and Risk Committee comprising at least three members, all of whom must be non-executive directors. The board has considered the performance of the following Audit and Risk Committee members standing for re-election and has found them suitable for appointment:

- Mr RI Dickerson
- Mr N Mwale
- Ms CS Ntshingila

Mr RI Dickerson is also Chairman of the board and, notwithstanding the principles of the King Report on Corporate Governance in South Africa (**King IV**), is appointed a member of the Audit and Risk Committee, as permitted by the JSE Limited Listings Requirements (**the Listings Requirements**). His financial and business experience over a number of years and across a number of industries is invaluable to the committee.

Ordinary resolutions numbers three to five are accordingly proposed in respect of the appointment of Mr RI Dickerson, Mr N Mwale and Ms CS Ntshingila as members of the Audit and Risk Committee for the ensuing year. Brief résumés of Mr RI Dickerson, Mr N Mwale and Ms CS Ntshingila appear on pages 16 to 17 of the integrated report to which this notice of AGM is attached.

### Ordinary resolution number three

**"Resolved that** Mr RI Dickerson be and is hereby elected as a member of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM."

### Ordinary resolution number four

**"Resolved that** Mr N Mwale be and is hereby elected as a member of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM."

### Ordinary resolution number five

**"Resolved that** Ms CS Ntshingila be and is hereby elected as a member and Chairperson of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM."

### Appointment of auditor

In accordance with section 90 of the Act and the Listings Requirements, the board appointed Moore Cape Town Inc. as external auditor for the financial year ended February 2023 to remain in office until the conclusion of the next annual general meeting.

The Audit and Risk Committee has considered the independence and suitability of Moore Cape Town Inc., and recommended that Moore Cape Town Inc. be appointed as external auditor of the Group for the financial year ending 28 February 2024.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

for the year ended 28 February 2023

## ORDINARY RESOLUTIONS CONTINUED

### Appointment of auditor *continued*

#### Ordinary resolution number six

"Resolved that, on recommendation of the Audit and Risk Committee, Moore Cape Town Inc. be and is hereby appointed as external auditor of the Group for the financial year ending 28 February 2024, to remain in office until the conclusion of the next AGM, with Mr Pierre Conradie as the designated auditor."

### Indemnification of directors

Section 78 of the Act allows for the company to indemnify directors, subject to the provisions of the company's Mol, except as may be prohibited by law.

#### Ordinary resolution number seven

"Resolved that the company hereby indemnifies each of the directors and officers of the group from time to time from any cost, damage, fine or loss of whatsoever nature which they may incur whilst acting bona fide in the course and scope of their duties, save to the extent that such indemnification is prohibited by the Act or any other law."

### General authority to issue shares/convertible shares or options for cash

#### Ordinary resolution number eight

"Resolved that the directors of the company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued shares in the capital of the company, including options shares, as and when they in their discretion deem fit, subject to the Act, the Mol and the Listings Requirements, provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 10% (ten percent) of the number of shares of the relevant class of shares issued prior to such issue."

### Additional requirements imposed by the Listings Requirements

The company may only make an issue of shares (as defined in the Listings Requirements) for cash under the above general authority if the following Listings Requirements are met:

- a) The shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity shares or rights that are convertible into a class already in issue.
- b) The general authority shall only be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter.
- c) That issues in the aggregate in any 1 (one) financial year may not exceed 10% (ten percent) of the number of the shares of the company in issue of that class of shares as at the date of the AGM (less treasury shares), being 370 872 783 shares, taking into account the dilution effect of convertible equity shares and options in accordance with the Listings Requirements.
- d) In determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the company and the party/ies subscribing for the shares.
- e) Any issue will only be made to "public shareholders" as defined by the Listings Requirements and not to related parties, save therefore that related parties may participate in a general issue for cash through a bookbuild process provided that:
  - (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and
  - (ii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.
- f) In the event that the shares issued represent, on a cumulative basis, 5% or more of the number of shares in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS.

Notwithstanding that this is an ordinary resolution, the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

### Non-binding advisory votes

King Codes on Corporate Governance recommend that the company's remuneration policy be tabled for a non-binding advisory vote by shareholders at every AGM, thus providing the shareholders with an opportunity to express their views on the company's remuneration policies. The report of the Remuneration Committee is set out on page 24 to 25 of the integrated report to which this notice of AGM is attached.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

for the year ended 28 February 2023

## ORDINARY RESOLUTIONS CONTINUED

### Non-binding advisory votes *continued*

#### **Non-binding advisory vote 1 – remuneration policy**

**“Resolved that** the company’s remuneration policy, as set out in the annual integrated report, be and is hereby endorsed by way of a non-binding advisory vote.”

#### **Non-binding advisory vote 2 – implementation report**

**“Resolved that** the company’s implementation report, as set out in the annual integrated report, be and is hereby endorsed by way of a non-binding advisory vote.”

There is currently no minimum percentage of voting rights that is required in respect of this advisory votes and the votes are not binding on the group. Non-binding advisory votes 1 and 2 are of an advisory nature only and failure to pass these votes will therefore not have any legal consequences to existing remuneration agreements. If the remuneration policy or the implementation report, or both are voted against by 25% or more of the voting rights exercised, the board will, as recommended by King IV and required by the JSE, take the outcome of the vote into consideration when considering amendments to the remuneration policy and implementation report.

## SPECIAL RESOLUTIONS

Unless otherwise indicated, in order for each of the special resolutions to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as special resolutions:

### **Special resolution number one**

#### ***Proposed adoption of new memorandum of incorporation of the Company***

**“Resolved that** the existing memorandum of incorporation of the Company (**Existing MOI**) be and is hereby substituted in its entirety with a new memorandum of incorporation (**New MOI**), (a copy of which is set out/the salient features of which are set out) in Annexure (A) to this notice of AGM, and which New MOI has been initialled by the chairperson for purposes of identification, with this resolution taking effect in accordance with the provisions of the Companies Act but not earlier than the conclusion of the meeting in which this resolution is passed.”

#### **The New MOI was approved by the JSE on 22 May 2023.**

The salient features, including the most important changes and new provisions, of the New MOI are set out in Annexure A to this notice of AGM. A copy of the New MOI, together with a summary of the most important changes and new provisions thereof, are included in Annexure A to this notice of AGM. A copy of the New MOI is available on the Company’s website at <https://insimbi-group.co.za/> and titled “Insimbi Industrial Holdings New MOI”, and is also available for inspection during normal business hours at the Company’s registered office at 359 Crocker Road, Wadeville Extension 4, Germiston, 1422, from the date of this notice of AGM until the date of the AGM.

The percentage of voting rights required for special resolution number **one** to be adopted shall be 75% of the voting rights exercised on special resolution number **one** by all holders of shares in the Company.

### **Explanatory notes**

#### ***Proposed adoption of new memorandum of incorporation of the Company – special resolution number one***

If adopted, special resolution number one would have the effect of substituting the Company’s existing memorandum of incorporation, in its entirety, with the New MOI.

The New MOI incorporates amendments to the provisions of the Existing MOI which are required to align it with the changes to the JSE Listings Requirements and the developments in law during recent years, as well as current market practices. The most important changes from the Existing MOI and new provisions contained in the New MOI are set out in Annexure A to this notice of AGM. No change has been made to terms relating to the creation of any class of shares, the variation of any preferences, rights, limitations or other share terms attaching to any class of shares, the conversion of one class of share into one or more other classes, the increase in the number of securities of a class, the consolidation of securities, the sub-division of securities, a change of the name of the Company or a conversion of shares from par value to no par value.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

for the year ended 28 February 2023

## SPECIAL RESOLUTIONS CONTINUED

### Non-executive directors' fees for the year ending 28 February 2024

The Act requires that prior shareholder approval be obtained in respect of fees payable to directors. The board has proposed that these fees be increased by 6% in line with inflation for the ensuing year.

#### Special resolution number two

"Resolved as a special resolution that the payment of the following fees to the non-executive directors for their services to the company for the year 1 March 2023 to 28 February 2024 be and is hereby approved:

	Retainer fee (pa) R	Per meeting attended R
<b>Board or committee</b>		
Board member	189,236	18,924
Audcom member	50,463	8,831
Remcom/Nomcom member	31,539	8,831
SECcom member	25,232	8,831
Investcom member	50,463	8,831
<b>Additional amount payable to chairperson of the board/committee</b>		
Chairperson of board	126,158	15,139
Audcom chairperson	31,539	6,308
Remcom/Nomcom chairperson	31,539	6,308
SECcom chairperson	31,539	6,308
Investcom/Audcom chairperson	31,539	6,308
		3 784,20 per hour
<b>Consultancy</b>		

### General approval to repurchase company shares

Special resolution number three is proposed to authorise the acquisition by the company or any of its subsidiaries of shares issued by the company, the issued share capital is 378 451 321 shares. The board's intention is for the shareholders to pass a special resolution granting the company or its subsidiaries general authority to acquire ordinary shares issued by the company, subject to the requirements of the Act, the Listings Requirements and the company's Mol, should the board consider that it would be in the interest of the company or its subsidiaries to acquire such shares while the general authority exists.

#### Special resolution number three

"Resolved that, subject to compliance with the Listings Requirements, the Act and the Mol, the directors be authorised at their discretion to instruct the company or its subsidiaries to acquire or repurchase ordinary shares issued by the company, provided that:

- The number of ordinary shares acquired in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;
- Such acquisitions may only be effected through the order book operated by the JSE trading system and done without any understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- An announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- The company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements unless there is a repurchase program in place, which program has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party as contemplated in terms of paragraph 5.72(h) of the Listings Requirements;
- At any point in time, the company may only appoint one agent to effect any repurchase(s) on the company's behalf;
- This authority will lapse on the earlier of the date of the next AGM or 15 months after the date on which this resolution is passed; and
- The price paid per ordinary share may not be greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the repurchase is made.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

for the year ended 28 February 2023

## SPECIAL RESOLUTIONS CONTINUED

### General approval to repurchase company shares *continued*

#### *Special resolution number three continued*

The directors of the company undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- The consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the company and group annual financial statements for the year ending 28 February 2023, will exceed the consolidated liabilities of the company and group immediately following such purchase or 12 months after the date of the AGM, whichever is the later;
- The company and the group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the AGM, or a period of 12 months after the date on which the board considers that the purchase will satisfy the immediately preceding requirement and this requirement, whichever is the later;
- The issued share capital and reserves of the company and the group will be adequate for the purposes of the business of the company and the group for a period of 12 months after the date of the notice of the AGM;
- The company and the group will have adequate working capital for ordinary business purposes for a period of 12 months after the date of the notice of the AGM;
- A resolution is passed by the board that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group; and
- The requirements contained in the Listings Requirements are complied with.

In terms of section 48(2)(b)(i) of the Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, (i) a pro rata repurchase by the company from all its shareholders; and (ii) intra-group repurchases by the company of its shares from wholly-owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the Listings Requirements and/or nondilutive share incentive schemes controlled by the company, where such repurchased shares are to be cancelled, will not require shareholder approval, save to the extent as may be required by the Act.

#### **Further explanatory notes to special resolution number three:**

Information required in terms of the Listings Requirements with regard to the general authority for the company or any of its subsidiaries to repurchase the company's securities (special resolution number three) appears in the annual financial statements, available on [www.insimbi-group.co.za](http://www.insimbi-group.co.za) as indicated below:

- Major shareholders: page 68 of the annual financial statements.
- Share capital of the company: page 76 of the annual financial statements.

The directors, whose names are given on pages 16 and 17 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information given in this notice 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 integrated report and this notice contains all information required by law and the Listings Requirements. No material change in the financial or trading position of the company and its subsidiaries has occurred since 28 February 2023.

### Inter-company financial assistance and financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company

#### **Special resolution number four**

"Resolved as a special resolution, in accordance with sections 45(2) and 45(3) of the Act, that the directors of the company be and they are hereby authorised to provide direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Sections 45(1) of the Act) that the board may deem fit to any related or inter-related company or corporation, or to a member of a related or inter-related corporation ("related" and "inter-related" will herein have the meaning attributed to it in section 2 of the Act), provided that the aforementioned approval shall be valid until the date of the next AGM of the company".

# NOTICE OF ANNUAL GENERAL MEETING *continued*

for the year ended 28 February 2023

## SPECIAL RESOLUTIONS CONTINUED

### Inter-company financial assistance and financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company *continued*

#### **Special resolution number five**

**Resolved**, in terms of Section 44(3)(a)(ii) of the Act of, as a general approval, that the board be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Sections 44(1) and 44(2) of the Act) that the board may deem fit to any company that is related or inter-related to the company ("related" and "inter-related" will herein have the meaning attributed to it in section 2 of the Act), on the terms and conditions and for amounts that the board may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any shares or securities of the company or a related or inter-related company, provided that the aforementioned approval shall be valid until the date of the next AGM of the company".

## VOTING AND PROXIES

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution. For a special resolution to be approved by the shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

Voting will be via a poll; every shareholder of the company shall have one vote for every share held in the company by such shareholder.

A shareholder entitled to participate and vote at the AGM is entitled to appoint a proxy or proxies to participate, speak and vote in his/her stead. A proxy need not be a shareholder of the company.

Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the form of proxy and lodging this form with the company's Transfer Secretaries by no later than Thursday, 27 July 2023 at 10:00 by:

- delivery to the company's Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank; or
- email to proxy@computershare.co.za.

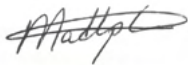
Any forms of proxy not submitted by this time can still be lodged by email to proxy@computershare.co.za prior to the commencement of the meeting.

#### **Dematerialised shareholders without 'own name' registration**

Dematerialised shareholders, other than those with 'own name' registration, who wish to participate in the AGM, should instruct their Central Securities Depository Participant (CSDP) or Broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in the relevant custody agreement. If these shareholders do not wish to participate in the AGM in person, they 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.

#### **Certificated shareholders and dematerialised shareholders with "own name" registration**

Those Certificated Shareholders and Dematerialised Shareholders with own name registration, who wish to participate in the AGM (either in person or represented by proxy), must submit complete the attached form of proxy and deliver it to the company's Transfer Secretaries by no later than Thursday 27 July 2023 at 10:00.



#### **M Madhlophe**

Company Secretary

Johannesburg

30 June 2023

# EXTRACTS OF THE NOTICE OF AGM RELATING TO THE PROPOSED ADOPTION OF NEW MEMORANDUM OF INCORPORATION

## RESOLUTIONS

### Special resolution number one

#### *Proposed adoption of new memorandum of incorporation of the company*

**“Resolved that** the existing memorandum of incorporation of the company (**Existing MOI**) be and is hereby substituted in its entirety with a new memorandum of incorporation (**New MOI**), the salient features of which are set out in the table below, and which New MOI has been initialled by the chairperson for purposes of identification, with this resolution taking effect in accordance with the provisions of the Companies Act but not earlier than the conclusion of the meeting in which this resolution is passed.”

The new MOI was approved by the JSE on 22 May 2023.

The salient features, including the most important changes and new provisions of the New MOI out are set out in the table below. A copy of the New MOI is included in Annexure A to this notice of AGM. A copy of the New MOI is also available on the company's website at <https://insimbi-group.co.za> and titled "Insimbi Industrial Holdings New MOI", and is available for inspection during normal business hours at the company's registered office at 359 Crocker Road, Wadeville Extension 4, Germiston, 1422, from the date of this notice of AGM until the date of the AGM.

The percentage of voting rights required for special resolution number one to be adopted shall be 75% of the voting rights exercised on special resolution number one by all holders of shares in the company.

### Explanatory notes

#### *Proposed adoption of new memorandum of incorporation of the company – special resolution number one*

If adopted, special resolution number one would have the effect of substituting the company's existing memorandum of incorporation, in its entirety, with the New MOI.

The New MOI incorporates amendments to the provisions of the Existing MOI which are required to align it with the changes to the JSE Listings Requirements and the developments in law during recent years, as well as current market practices. The most important changes from the Existing MOI and new provisions contained in the New MOI are set out in the table below. No change has been made to terms relating to the creation of any class of shares, the variation of any preferences, rights, limitations or other share terms attaching to any class of shares, the conversion of one class of share into one or more other classes, the increase in the number of securities of a class, the consolidation of securities, the sub-division of securities, a change of the name of the company or a conversion of shares from par value to no par value.

### Summary of changes

The main themes and a brief description of the content of the key amendments are set out in the table below.



## EXTRACTS OF THE NOTICE OF AGM RELATING TO THE PROPOSED ADOPTION OF NEW MEMORANDUM OF INCORPORATION *continued*

Item no.	Theme	Clause/s in the new MOI	Content
1.	Amending the MOI by special resolution	Clause 2.8.1	The clauses pertaining to amendments to the MOI of the company have been updated to expressly record that while the shares of the company remain listed on the JSE Limited ( <b>JSE</b> ), the board of directors ( <b>Board</b> ) must, prior to proposing any amendments to the MOI for approval by the shareholders, submit any such proposed amendments to the JSE for approval.
2.	Access to company records	Clause 3.1.2 Clause 3.1.4	The clauses pertaining to accessing the company's records have been updated in order to more adequately protect the confidentiality of the company's information by: (i) ensuring that the Board has put into place adequate controls to protect such information; and (ii) empowering the Board to exercise its discretion in granting any person the right to access information pertaining to the company.
3.	Substitution of certificated or uncertificated securities	Clause 4.6.2	The clauses pertaining to the securities of the company have been updated to expressly provide for the substitution of certificated or uncertificated securities.
4.	Capitalisation shares	Clause 4.10	The provisions pertaining to the issue of capitalisation shares have been amended to more closely align with the provisions of section 47 of the Companies Act, by removing the requirement for shareholder approval (by special resolution) when the company proposes to issue any capitalisation shares.
5.	Securities other than shares (debt instruments)	Clause 6	The provisions relating to the issue of debt instruments have been amended to more closely align with the provisions of section 43 of the Companies Act, by removing the requirement for shareholder approval (by special resolution) when the company proposes to issue any debt instrument.
6.	Distributions to shareholders	Clause 7	The clauses pertaining to distributions have been amended by, <i>inter alia</i> , the removal of references to payment of distributions by way of cheque payments.
7.	Audit Committee	12.3	The provisions pertaining to the establishment of an audit committee have been updated to more closely align with the provisions and the process contemplated in section 94 of the Companies Act.
8.	Winding up	13	The provisions pertaining to winding up of the company have been updated to more closely align with the provisions of Part G of Chapter 2 of the Companies Act.
9.	Shareholder reserved matters	N/A	The provisions in the existing MOI restricting the powers of the Board to grant loans to a party that is not a member of the company's group and to divest the company's business into any other business other than in accordance with its main objects and necessary ancillary services, without shareholder approval (by special resolution), have been removed.

## **ANNEXURE A: NEW MOI**

**REPUBLIC OF SOUTH AFRICA**  
**MEMORANDUM OF INCORPORATION**  
**OF**  
**INSIMBI INDUSTRIAL HOLDINGS LIMITED**

(formerly Insimbi Refractory and Alloy Supplies Limited RF)

Registration number 2002/02982106/06

which is a profit company and a public company as contemplated in the Companies Act, 2008 and is referred to in the rest of this MOI as "the company".

(This memorandum of incorporation was adopted by special resolution of the shareholders of the company passed on 30 June 2023, in substitution for the existing memorandum of incorporation).

# ANNEXURE A: NEW MOI continued

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# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 1. INTERPRETATION

The headings of the articles in this memorandum of incorporation (MOI) are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this MOI nor any article hereof or paragraph of any schedule hereto. Unless a contrary intention clearly appears:

### 1.1 Words importing:

- 1.1.1 any one gender include the other two genders;
- 1.1.2 the singular include the plural and vice versa; and
- 1.1.3 natural persons include created entities (corporate or unincorporated) and the state and vice versa;

### 1.2 The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

- 1.1.1 "**board**" means the board of directors of the company, from time to time;
- 1.1.2 "**Commission**" means the Companies and Intellectual Property Commission established in terms of section 185;
- 1.1.3 "**Companies Act**" means the Companies Act, No. 71 of 2008, as amended;
- 1.1.4 "**CSD**" means the Central Securities Depository as defined in section 1 of the Financial Markets Act;
- 1.1.5 "**CSDP**" means a person authorised by a licensed CSD as a "participant" as defined in section 1 of the Financial Markets Act;
- 1.1.6 "**Debt instrument**" has the meaning ascribed to it section 43(1)(a) of the Companies Act;
- 1.1.7 "**Director**" means a member of the board as contemplated in section 66, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;
- 1.1.8 "**Distribution**" has the meaning ascribed to it in section 1 of the Companies Act;
- 1.1.9 "**Financial Markets Act**" means the Financial Markets Act, No 19 of 2012, as amended;
- 1.1.10 "**Group**" means the company and all its direct or indirect Subsidiaries for the time being and from time to time;
- 1.1.11 "**JSE**" means the JSE Limited, a company duly registered and incorporated with limited liability under the company laws of the Republic under registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act;
- 1.1.12 "**Listings Requirements**" means the listings requirements of the JSE, as amended from time to time;
- 1.1.13 "**MOI**" means this memorandum of incorporation of the company and any schedules hereto, as amended from time to time;
- 1.1.14 "**Ordinary shares**" means the authorised ordinary shares with a par value of R0,000025 each in the share capital of the company;
- 1.1.15 "**Panel**" means the Takeover Regulation Panel established in terms of section 196;
- 1.1.16 "**Prescribed Officer**" shall have the meaning as defined in section 1 of the Companies Act, as read with the Regulations;
- 1.1.17 "**present at a meeting**" means to be present in person, or able to participate in the meeting by electronic communication, or to be represented by a proxy who is present in person or able to participate in the meeting by electronic communication;
- 1.1.18 "**Proxy**" means a person appointed in accordance with the provisions of this MOI to represent a shareholder at any meeting or any adjournment thereof;
- 1.1.19 "**Proxy form**" means a written instrument complying with the provisions of the Companies Act appointing a person to represent a shareholder at any specified meeting or any adjournment thereof;
- 1.1.20 "**publish**" or "**deliver**" means, in relation to any document that is required to be published or delivered to shareholders in terms of this MOI, that the document in question is prepared in plain language and, if applicable, in the prescribed form, in accordance with sections 6(4) and (5), and is delivered to each shareholder at that shareholder's registered address (either its business or postal or residential address, or by e-mail) as recorded in the Securities Register of the company);

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 1. INTERPRETATION CONTINUED

### 1.2 The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely continued

- 1.1.21 "**Regulations**" means the regulations to the Companies Act of 2011, promulgated by the Minister in terms of section 223;
- 1.1.22 "**Republic**" means the Republic of South Africa;
- 1.1.23 "**Security/ies**" means any Share(s), debenture(s) or other instrument(s), irrespective of form or title, issued or authorised to be issued by the company;
- 1.1.24 "**Securities Register**" means the register required to be established by the company in terms of section 50(1);
- 1.1.25 "**SENS**" means the Securities Exchange News Service of the JSE;
- 1.1.26 "**Shareholder**" means a person reflected, from time to time, in the Securities Register or the Uncertificated Securities Register as holding Ordinary shares;
- 1.1.27 "**shares**" means any shares of whatever designation and with whatever rights, privileges and limitations, as set out in this MOI;
- 1.1.28 "**Special Resolution**" means a resolution adopted with the support of at least 75% (seventy five per centum) of the votes exercised on that resolution by the holders of the Ordinary shares present at a meeting of shareholders;
- 1.1.29 "**Subsidiary**" means a subsidiary relationship as defined in section 1, read with section 3, of the Companies Act; and
- 1.1.30 a reference to an "**article**" by number refers to the corresponding article of this MOI;
- 1.1.31 a reference to a "**regulation**" by number refers to the corresponding regulation of the regulations;
- 1.1.32 a reference to a "**section**" by number refers to the corresponding section of the Companies Act;
- 1.1.33 a reference to "**law**" means any law of general application and includes the common law and any statute, constitution, decree, treaty, regulation, directive, ordinance, by-law, order or any other enactment or legislative measure of government (including local and provincial government) statutory or regulatory body which has the force of law and a reference to any statutory enactment shall be construed as a reference to that enactment as amended or substituted from time to time;
- 1.1.34 a reference to "**writing**" means legible writing and in English and includes printing, typewriting or any other mechanical process, as well as any electronic communication in a manner and a form such that it can conveniently be printed by the recipient within a reasonable time and at a reasonable cost;
- 1.1.35 words and expressions which are defined and used or have a particular meaning ascribed to them in a particular context in the Companies Act shall when used in this MOI in a similar context bear the same meaning, unless excluded by the subject or the context, or unless this MOI provides otherwise;
- 1.1.36 where a particular number of business days is provided for between the happening of one event and another, the number of days must be calculated by excluding the day on which the first event occurs and including the day on which or by which the second event is to occur;
- 1.1.37 any reference to a notice shall be construed as a reference to a written notice, and shall include a notice which is transmitted electronically in a manner and form such that the notice can conveniently be printed by the recipient within a reasonable time and at a reasonable cost;
- 1.1.38 each provision and each sentence and each part of a sentence in this MOI is separate and severable from each other, and to the extent any provision or sentence or part thereof is found to be illegal or unenforceable or inconsistent with or contravenes any provision of the Companies Act, or void, such may to that extent only be modified or severed from the MOI, so that the remaining part of that provision or sentence or part thereof, as the case may be, is legal, enforceable or consistent with or does not contravene the Companies Act or is not void.

### 1.3 The schedules attached to this MOI form part of this MOI and the MOI and the schedules must be read and interpreted together.

### 1.4 The standard form of memorandum of incorporation for a public company referred to in regulation 15(1)(b) shall not apply to the company.

### 1.5 This MOI is in a form unique to the company, as contemplated in section 13(1)(a)(ii).

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 2. INCORPORATION AND NATURE OF THE COMPANY

### 2.1 Incorporation

- 2.1.1 The company is a public company as contemplated in section 8(2)(d) and is authorised to offer its shares to the public.
- 2.1.2 The company is constituted in terms of section 19(1)(c) in accordance with and governed by:
  - 2.1.2.1 the unalterable provisions of the Companies Act (subject to any higher standards, greater restrictions, longer periods of time or more onerous requirements set out in this MOI in accordance with section 15(2)(a)(iii));
  - 2.1.2.2 the alterable provisions of the Companies Act (subject to any negation, restriction, limitation, qualification, extension or other alteration set out in this MOI in accordance with section 1 read with 15(2)(a)(ii)); and
  - 2.1.2.3 the provisions of this MOI.
- 2.1.3 The main object of the company is to invest in, whether directly or indirectly, in international, local and regional trading operations in relation to the trading of all commodities and to act as an investment vehicle and financial and logistics facilitator.

### 2.2 Change of name of the company

- 2.3 Any change of the name of the company must be approved by a special resolution of the shareholders and the proposed new name must comply with the requirements of the Companies Act.

### 2.4 Powers of the company

- 2.4.1 The company has all of the legal powers and capacity contemplated in the Companies Act, and no provision contained in this MOI should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.
- 2.4.2 To the extent that the Companies Act or the Listings Requirements require a company to be expressly authorised by its MOI to do anything, the company is, by this provision, conferred with the requisite authority to do so, subject to any express limitations set out in this MOI.

### 2.5 Limitation of liability

No person shall, solely by reason of being an incorporator, shareholder or director of the company, be liable for any liabilities or obligations of the company.

### 2.6 Rules

The board shall not have the power to make, amend or repeal any rules for the company as contemplated in section 15(3) to (5).

### 2.7 Ratification of ultra vires acts

Save to the extent otherwise agreed with the JSE, it shall not be competent for any resolution to be proposed to the shareholders for adoption in terms of sections 20(2) and/or 20(6) if such resolutions would lead to the ratification of an act on behalf of the company that is contrary to the Listings Requirements.

### 2.8 Amending the MOI by special resolution

- 2.8.1 While the shares of the company remain listed on the JSE, the board must, prior to proposing any amendments for approval by the shareholders, submit any such proposed amendments to the MOI to the JSE for approval in accordance with the Listings Requirements.
- 2.8.2 If any proposed amendment to the MOI relates to the variation of any preferences, rights, limitations and other terms attaching to any other class of shares already in issue, that amendment may not be implemented without a Special Resolution of the holders of shares in that class at a separate meeting.
- 2.8.3 In the circumstances contemplated in article 2.8.2, the holders of the relevant shares may also be allowed to vote at the meeting of shareholders subject to the limitation on the voting rights recorded in paragraph 10.5(c) (read with paragraph 10.5(h)) of the Listings Requirements.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 2. INCORPORATION AND NATURE OF THE COMPANY CONTINUED

### 2.9 Alterations to the MOI

If the board, or any person authorised by the board to do so, proposes to alter any of the provisions of this MOI in terms of section 17(1), then the board shall together with the notice convening the next general meeting of shareholders deliver to each shareholder a copy of the final notice of alteration filed with the Commission together with a written explanation of the reason for and effects of each alteration and confirmation that each alteration was permitted in terms of section 17.

## 3. COMPANY'S RECORDS AND ACCOUNTING RECORDS

All the company's records contemplated by section 24 and all accounting records contemplated by section 28 shall be kept and be accessible at the registered office of the company.

### 3.1 Access to the company's records, accounting records and other information

3.1.1 No person (other than a Director) shall have any right to inspect any accounting records or document of the company, except where the right to do so is conferred by the Companies Act or by the board or as permitted in terms of this article 3.1

3.1.2 The board shall be responsible for ensuring that adequate controls are in place to ensure that persons who are entitled in terms of section 26(1) (namely any person who holds or has a beneficial interest in any Securities issued by the company), read with this article 3.1, shall on application have access to the company's records, as contemplated by section 24, in terms of and subject to section 26. Such controls must address appropriate measures to properly identify persons entitled to, and verify the entitlement of, any person applying to the company for access in terms of section 26, including application by:

3.1.2.1 a shareholder or registered holder in respect of Securities;

3.1.2.2 an owner of Securities (whether or not a shareholder) or registered holder in respect of Securities;

3.1.2.3 a holder of a beneficial interest in Securities (whether or not the owner and/or the shareholder or registered holder of the Securities in question); or

3.1.2.4 any of their representatives (including any representative, proxy, agent or nominee).

3.1.3 Registered shareholders may be treated by the company as constituting persons who hold or have a beneficial interest in Securities issued by the company for purposes of section 26(1), or to the extent necessary shareholders will be treated as being entitled in terms of section 26(3) to access to the company's records on the same basis provided for in, and subject to, section 26(1).

3.1.4 The board may from time to time in its discretion grant any person, on such terms and subject to such conditions and for such period(s) as the board may from time to time determine in writing, the right to access any information pertaining to the company, but no such right if conferred may negate or diminish any mandatory protection of any record, as set out in Part 3 of the Promotion of Access to Information Act, No. 2 of 2000, provided that:

3.1.4.1 the confidential information of the company is adequately protected; and

3.1.4.2 each shareholder is simultaneously provided with access to the same information.

### 3.2 Annual financial statements

3.2.1 Each year the company shall prepare annual financial statements within six months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting of the company.

3.2.2 The annual financial statements must include information relating to the remuneration and benefits, including pension and issued Securities, received by each Director and any individual holding any prescribed office in the company, as required in terms of sections 30(4) and (5).

3.2.3 The annual financial statements in respect of any financial year of the company must be audited by the auditor appointed in terms of article 12.1.1.

3.2.4 The annual financial statements must be distributed to the shareholders no less than 15 (fifteen) business days prior to the annual general meeting at which the annual financial statements will be considered.

3.2.5 The annual financial statements of the company and any of its subsidiaries must comply with the relevant provisions of the Listings Requirements.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 4. SECURITIES OF THE COMPANY

### 4.1 Authorisation for shares

- 4.1.1 The company is authorised to issue 12 billion (twelve billion) ordinary shares of 0,000025 cents each, which ranks *pari passu* in all respects and entitles the holder to:
- 4.1.1.1 the right to be entered in the Securities Register of the company as the registered holder of an ordinary share;
  - 4.1.1.2 1 (one) vote in respect of each ordinary share held by the holder and the right in person or by proxy to attend, speak at and vote on any matter to be considered at, any meeting of shareholders;
  - 4.1.1.3 the right to receive any distribution by the company, if and when declared on the ordinary shares, to be made in proportion to the number of ordinary shares held by each shareholder;
  - 4.1.1.4 the right to receive a portion of the total net assets of the company remaining upon its liquidation; and
  - 4.1.1.5 any other rights attaching to the ordinary shares in terms of the Companies Act or any other law.

### 4.2 Authority to alter authorised shares

- 4.2.1 The board shall not have the powers contained in section 36(3).
- 4.2.2 The shareholders shall have the sole authority to undertake the following actions by a Special Resolution amending this MOI, namely to:
- 4.2.2.1 increase or decrease the number of authorised but unissued shares of any class;
  - 4.2.2.2 create any new class or classes of authorised shares;
  - 4.2.2.3 consolidate or subdivide (or both) any:
    - 4.2.2.3.1 authorised but unissued shares of any class; and
    - 4.2.2.3.2 issued shares of any class,  
provided that the holders of 75% (seventy five per centum) of the number of the issued shares of the class so consolidated or subdivided, approve that action by resolution and provided further that no par-value shares may be subdivided resulting in an increase of the company's share capital;
  - 4.2.2.4 reclassify any shares that have been authorised but not issued;
  - 4.2.2.5 classify any unclassified shares that have been authorised but are not issued;
  - 4.2.2.6 determine the preferences, rights, limitations and other terms of any shares that have been authorised but not issued;
  - 4.2.2.7 vary the preferences, rights, limitations and other terms of any issued or unissued shares;
  - 4.2.2.8 change the name of the company;
  - 4.2.2.9 convert any class of shares into shares of another class; and
  - 4.2.2.10 convert any par value shares to no par value shares.
- 4.2.3 If the shareholders act pursuant to the authority contemplated in article 4.2.2, the company must file a notice of amendment of this MOI in accordance with section 16(7).

### 4.3 Issue of shares

- 4.3.1 Notwithstanding section 38, or anything contained in this MOI to the contrary, shareholders in general meeting may by special resolution authorise the directors to issue unissued shares and to grant options to subscribe for unissued shares as the directors in their discretion may deem fit, provided that such corporate actions have been approved by the JSE (if necessary) and comply with the Listings Requirements and the Companies Act.
- 4.3.2 If the company proposes to issue any shares (or options) other than:
- 4.3.2.1 shares issued in terms of options or conversion rights; or
  - 4.3.2.2 shares to be held under any share option scheme or share incentive scheme which complies with the provisions of Schedule 14 of the Listings Requirements and the Companies Act; or



# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 4. SECURITIES OF THE COMPANY CONTINUED

### 4.3 Issue of shares continued

- 4.3.2.3 capitalisation shares contemplated in section 47; or
  - 4.3.2.4 shares issued or to be issued as consideration for any assets or for services rendered; or
  - 4.3.2.5 shares issued for cash pursuant to a general or specific approval given by the shareholders in general meeting, such issues may only be made: (i) pro rata to the holdings of the holders of the class of shares to be issued; and (ii) out of authorised shares of the relevant class.
- 4.3.3 A *pro rata* offer of any securities to any person may be made subject to the possible exclusion from participation in that offer of any persons who are prohibited by any law of any country to whose jurisdiction they are subject.
- 4.3.4 At all times whilst the company's shares are listed on the JSE, the company shall not issue any shares in terms of sections 40(5) to 40(7).
- 4.3.5 No shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).
- 4.3.6 The company may pay to any person:
- 4.3.6.1 a commission for subscribing or agreeing to subscribe (whether absolutely or conditionally); or
  - 4.3.6.2 a brokerage for procuring or agreeing to procure subscriptions (whether absolutely or conditionally), for any securities issued or to be issued by the company, provided that, for so long as any Securities of the company are listed on the JSE, any such commission shall not exceed 10% (ten per centum) of the subscription price of the securities subscribed for.

### 4.4 Securities register

- 4.4.1 The company shall, in accordance with sections 24(4)(a) and (50), establish or cause to be established a register of its issued Securities in the prescribed form and maintain its Securities Register in accordance with the prescribed standards.
- 4.4.2 In the case of any security registered in the names of two or more persons as joint holders, the person first named in the Securities Register shall, save as is provided in article 4.4.4 or 4.7.7, be the only person recognised by the company as having any title to such Security and to the related certificate of title.
- 4.4.3 Upon the death, insolvency or placing under curatorship by reason of insanity or prodigality of any joint holder of any security, the sole remaining holder or the first named of two or more remaining joint holders, as the case may be, shall, save as permitted in articles 4.4.4 and 4.7.10, be the only person recognised by the company as having any title to such security.
- 4.4.4 The company shall be entitled to recognise any person who is not a registered security holder in respect of any securities as the person having title to such securities or holding or having any beneficial right in or to such securities, on such terms and subject to such conditions and for such period(s) as the board deems fit.
- 4.4.5 The company shall, as soon as practicable after issuing any securities, enter or cause to be entered in its Securities Register, in respect of every class of securities issued:
- 4.4.5.1 the total number of those securities that are held in uncertificated form; and
  - 4.4.5.2 with respect to certificated securities, the names and addresses of the persons to whom the certificated securities were issued and the number of certificated securities issued to each of them, and such other information that is required to be entered into the certificated Securities Register in terms of section 50(2).
- 4.4.6 To the extent required by the Companies Act, the company shall maintain records of disclosures of beneficial interests made to the company as contemplated in article 4.11.
- 4.4.7 The board may, in its discretion, record in the Securities Register of the company that any security is held in trust or by a nominee, and may disclose in the Securities Register for whom that security is held.
- 4.4.8 The company shall be under no obligation to verify the existence of the beneficial holder (or registered holder) in respect of any Securities, or to verify the legal status of any person who holds a Security as a trustee or nominee, or to ensure the carrying out by the trustee or nominee of any trusts or mandates (whether express or implied) in respect of any such security.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 4. SECURITIES OF THE COMPANY CONTINUED

### 4.5 Certificates evidencing securities

- 4.5.1 shares or other securities which are of a class listed on the JSE shall, subject to the Listings Requirements and article 4.6, be issued in the form of "uncertificated" shares or securities.
- 4.5.2 A certificate evidencing any Securities of the company:
- 4.5.2.1 must state on its face:
    - 4.5.2.1.1 the name of the company;
    - 4.5.2.1.2 the name of the person to whom the Securities were issued or transferred, as the case may be;
    - 4.5.2.1.3 the number and class of shares and the designation of the series, if any, evidenced by that certificate; and
    - 4.5.2.1.4 an restriction on the transfer of the securities evidenced by the certificate;
  - 4.5.2.2 must be signed by two persons authorised by the board; and
  - 4.5.2.3 may otherwise be in such form as the board prescribes from time to time.
- 4.5.3 The board shall in respect of the issue of any such security authorise two persons to issue and sign certificates of title to such security.
- 4.5.4 Every registered Securities holder shall be entitled to be issued certificates evidencing ownership of the Securities on the initial issue or transfer of Securities to the Securities holder of the initial certificate(s) free of charge, but for every subsequent certificate the board may make such charge as from time to time the board may think fit.
- 4.5.5 The company shall, as soon as possible within 2 (two) business days after the issue of any Securities or the lodgement of an instrument of transfer for any Securities, have ready for delivery the relevant certificate(s) of title.
- 4.5.6 Every person to whom Securities are issued and whose name is entered in the Securities Register shall be entitled to 1 (one) certificate for all the Securities of each class registered in his name, or to several certificates, each for a part of such Securities.
- 4.5.7 A Securities certificate complying with the provisions of section 51 is proof that the named Security holder owns the Securities specified in the certificate, in the absence of evidence to the contrary.
- 4.5.8 If a certificate is defaced, lost or destroyed, it may be replaced with a duplicate certificate endorsed "Duplicate Certificate" on payment of such reasonable fee, if any, and on such terms, if any, as to evidence and indemnity as the board may think fit.
- 4.5.9 A certificate registered in the names of two or more persons shall be delivered to the person first named in the Securities Register as a holder thereof, and delivery of a certificate to that person shall be a sufficient delivery to all joint holders of that security.

### 4.6 Uncertificated Securities

- 4.6.1 Evidence of uncertificated Securities
- 4.6.1.1 In terms of section 52(4), the CSDP or CSD (and not the company), must provide a regular statement to each person for whom any uncertificated Securities are held in an uncertificated Securities Register. The company shall not issue certificates or statements evidencing or purporting to evidence title to uncertificated Securities of the company.
  - 4.6.1.2 A person who is entitled to and wishes to inspect an uncertificated Securities Register may do so only through the company in terms of section 52(2) read with section 26 and article 3.1.
- 4.6.2 Substitution of certificated or uncertificated Securities
- 4.6.2.1 A registered holder of uncertificated Securities may withdraw all or part of the uncertificated Securities held by the person in an uncertificated Securities Register, and obtain a certificate in respect of those withdrawn Securities, by notifying the applicable CSDP or the CSD only (and not the company), in terms of section 54(1).

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 4. SECURITIES OF THE COMPANY CONTINUED

### 4.6 Uncertificated Securities continued

- 4.6.2.2 If the company receives from the CSDP or CSD concerned only (not from the registered holder of uncertificated Securities) a notice to provide the relevant certificate in respect of any withdrawn uncertificated Securities in terms of section 54(1)(a), the company shall make the necessary entries in the Securities register of the company, and prepare and deliver the relevant certificate, in terms of section 54(2):
- 4.6.2.2.1 against receipt by the company of any fee charged by the company from time to time in terms of section 54(3); and
  - 4.6.2.2.2 against the holder of the Securities in question providing to the company the necessary information required by the company in terms of this MOI.
- 4.6.2.3 A registered holder of certificated Securities may withdraw all or part of the certificated Securities held by the person in a certificated Securities register, whereafter, in accordance with section 49(5), such Securities shall cease to be evidenced by certificates and thereafter be uncertificated.

### 4.7 Transfer of shares

- 4.7.1 Share certificate to be endorsed  
The certificate evidencing any shares of the company must state on its face any restriction on the transfer of the shares evidenced by that certificate.
- 4.7.2 Restriction on transfer of shares other than ordinary shares  
The right of any shareholder to transfer any shares of any class of shares shall be limited or restricted only to the extent provided for in respect of that class of shares.
- 4.7.3 No liens  
Securities shall not be subject to any lien in favour of the company.
- 4.7.4 board's power to decline to register a transfer of certificated Securities
- 4.7.4.1 The board may not decline to register the transfer of any certificated Securities in terms of a proper instrument of transfer, except if and for so long as:
    - 4.7.4.1.1 the transfer in question is not in accordance with the requirements for such transfer, if any, set out in this MOI; and/or
    - 4.7.4.1.2 the Securities transfer tax in respect of such transfer (if any) has not been paid.
  - 4.7.4.2 The transferor shall be deemed to remain the holder of such Securities until the name of the transferee is entered in the Securities register.
- 4.7.5 Proper instrument of transfer of certificated Securities  
For purposes of section 51(6)(a) and this MOI, a "proper instrument of transfer" means an instrument in writing, in any form, which has been signed by or on behalf of the registered Securities holder as transferor and signed by or on behalf of the transferee, specifying: (a) the full name of the transferor (being the name of a person entered in the Securities register as the registered holder of the Securities being transferred); (b) the full name of the transferee; and (c) the number of and the class of shares being transferred.
- 4.7.6 Documents required for registration of transfer of certificated Securities
- 4.7.6.1 Any person wishing the company to register the transfer of any certificated Securities shall deliver to the company for registration:
    - 4.7.6.1.1 a proper instrument of transfer; and
    - 4.7.6.1.2 the original certificate (or a duplicate certificate issued pursuant to article 4.5.8) of the Securities being transferred or, in the absence of such original or duplicate certificate, such other evidence as the company may require to prove the right or title of the transferor to transfer the Securities.
  - 4.7.6.2 The instrument of transfer, the cancelled share certificate(s) and such other documentary evidence shall remain in the custody of the company at its registered office.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 4. SECURITIES OF THE COMPANY CONTINUED

### 4.7 Transfer of shares *continued*

#### 4.7.7 Mandates to sign instruments of transfer of certificated Securities

4.7.7.1 All mandates or authorities to sign instruments of transfer granted by holders of Securities for the purpose of transferring Securities, which have been lodged, produced or exhibited with or to the company, shall be held in custody by the company at its registered office.

4.7.7.2 Such mandates or authorities shall, as between the company and the grantor of such mandate or authorities be deemed to continue and remain in full force and effect, and the board may allow such instruments of transfer signed for the holders of Securities as transferor pursuant to such mandate or authority to be acted upon, until express written notice of its revocation signed by or on behalf of the Securities is lodged at the company's registered office. Even after the lodging of such notice of revocation, the company shall be entitled to give effect to any instrument of transfer signed under the mandate or authority to sign and certified by any officer of the company as being in order before the lodging of such written notice of revocation.

#### 4.7.8 Transfer of uncertificated Securities

A transfer of uncertificated Securities of the company shall be effected in terms of section 53 read with the rules of the relevant CSD.

#### 4.7.9 Recognition of title

The parent or guardian of a shareholder who is a minor, the executor or administrator of a shareholder who is deceased, the trustee of a shareholder who is an insolvent or the curator bonis of a shareholder who is mentally incapacitated or prodigal or any person duly appointed by competent authority to represent or act for any shareholder shall, subject to the provisions of articles 4.4.2 and 4.4.3 regarding joint holders, be the only person recognised by the company as having any title to any shares registered in the name of such shareholder, including for voting purposes.

#### 4.7.10 Transmission of shares

4.7.10.1 Subject to any laws for the time being in force relating to taxation or duty upon the estates of deceased persons, any person recognised by the company in terms of articles 4.4.2 and 4.4.3 or article 4.7.9 as having any title to any Securities (and also the legal guardian of any minor holder of Securities and any person who obtains title to any Securities by operation of law in any other manner) may, upon producing such evidence as the board deems sufficient as to the capacity in which he or she claims to act under this article or as to his or her title to any Securities, and subject to the transfer provisions in this MOI, transfer such Securities to himself or to any other person.

4.7.10.2 A person who submits proof of his appointment as the executor, administrator, trustee, curator or guardian in respect of the estate of a holder of Securities who is deceased or the estate of a holder of Securities whose estate has been sequestrated or who is otherwise under a disability or of his appointment as the liquidator of anybody corporate which is a holder of Securities, shall be entered in the Securities register *nominee officii*, and shall thereafter, for all purposes, be deemed to be a holder of such Securities. No Securities will be forfeited due to the failure of the relevant party to register with the company as *nomine officii*.

### 4.8 Odd lot offers

4.8.1 "odd lot" means any total holding by a shareholder of less than 100 shares (or such other number as may be permitted by the JSE), or any total holding by a Securities holder of less than 100 Securities (or such other number as may be permitted by the JSE) or a minimum number of Securities with an aggregate nominal value of less than R100.00 (or such other rand amount as may be permitted by the JSE);

4.8.2 "odd lot offer" means an offer by the company to the holders of odd lots in terms of which the holders of the odd lots may elect to retain their holdings or sell their odd lots, subject to the Listings Requirements to the extent applicable.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 4. SECURITIES OF THE COMPANY CONTINUED

### 4.8 Odd lot offers *continued*

- 4.8.3 The company may make and implement odd lot offers in accordance with the Listings Requirements or as otherwise permitted by the JSE and if it does so and any shareholder or Securities holder who qualifies to participate in that odd lot offer does not elect any of the election alternatives (namely to retain their odd lots or to sell their odd lots) in accordance with the terms of the odd lot offer, such holder (and any person with a beneficial interest in such odd lots) shall be deemed to have agreed to sell odd lots, and the company shall be entitled (on implementation of the odd lot offer) to cause the odd lots to be sold on behalf of such persons to any party (including the company) on such terms and conditions as the board may determine provided that the company shall account to the registered holders, after deducting the costs of the sales, if any, for the remaining proceeds attributable to them pursuant to the sale of such odd lots.
- 4.8.4 All unclaimed proceeds of odd lot sales may be invested or otherwise made use of by the board for the benefit of the company until claimed.

### 4.9 Fractions

If, on any issue of shares or other Securities, or on any consolidation or subdivision of shares or other Securities, or on any other transaction with the company, shareholders or other Securities holders would, but for the provisions of this article, become entitled to fractions of shares or other Securities, all allocations of such shares or other Securities shall be rounded up or down based on standard rounding convention (i.e. allocations will be rounded up to the nearest whole number if they are equal to or greater than 0.5, or rounded down to the nearest whole number if they are less than 0.5) resulting in the allocations of whole shares or other Securities and no fractional entitlements.

### 4.10 Capitalisation shares

The board shall have the authority, as contemplated in section 47, and subject to the Listings Requirements to the extent applicable, to:

- 4.10.1 approve the issuing of any authorised shares as capitalisation shares on a pro rata basis to the shareholders of one or more classes of shares; or
- 4.10.2 issue shares of one class as capitalisation shares in respect of shares of another class; or
- 4.10.3 resolve to permit shareholders to elect to receive a cash payment in lieu of a capitalisation Share, provided that the board may not resolve to do so unless it:
- 4.10.3.1 has considered the solvency and liquidity test, as required by section 46, on the assumption that every such shareholder would elect to receive cash; and
- 4.10.3.2 is satisfied that the company would satisfy the solvency and liquidity test immediately upon the completion of the distribution.

### 4.11 Beneficial interest in Securities

The company's issued Securities may be held by, and registered in the name of, one person for the beneficial interest of another person as set out in section 56(1).

## 5. FINANCIAL ASSISTANCE

The board may authorise the company to provide financial assistance in accordance with the provisions of sections 44 and 45, and the authority of the board in this regard is not limited or restricted by this MOI.

## 6. SECURITIES OTHER THAN SHARES (DEBT INSTRUMENTS)

- 6.1 The board may authorise the company to issue secured or unsecured Debt Instruments as contemplated in section 43, subject to the Listings Requirements to the extent applicable.
- 6.2 Debt Instruments shall not be issued with special privileges, including attending and voting at general meetings and the appointment of directors.

## **ANNEXURE A: NEW MOI** *continued*

for the year ended 28 February 2023

### **7. DISTRIBUTIONS TO SHAREHOLDERS**

- 7.1 The company and/or the directors, as the case may be, shall not declare or make a Distribution except a Distribution in compliance with section 46 and the Listings Requirements, as applicable, and in accordance with the rights of shareholders to or in respect of Distributions as set out in this MOI.
- 7.2 In respect of Distributions to holders of Securities which are listed on the JSE, payments to such Securities holders must be made in accordance with the Listings Requirements to the extent applicable and if such Distribution is a repayment of capital, the company shall not be entitled to make such Distribution on the basis that it may be called up again.
- 7.3 The board, or on the recommendation of the board, the shareholders by ordinary resolution, may at any time authorise and/or declare a Distribution subject to compliance with section 46, to be paid to the shareholders of any class in proportion to the number of shares held by them in that class.
- 7.4 No larger Distribution shall be declared by the shareholders in general meeting than is recommended by the directors.
- 7.5 Distributions shall be declared payable or distributable to shareholders registered as such on the record date with respect to such payment or Distribution determined in terms of article 10.2 which must be a date subsequent to the date of sanctioning of the dividend or declaring the dividend by the board.
- 7.6 The company is authorised to make any statutory deductions from the Distributions prior to payment in respect thereof.
- 7.7 Distributions payable in cash, shall be declared in the currency of the Republic of South Africa.
- 7.8 Any Distribution declared may be paid and satisfied either wholly or in part by the distribution of specific assets or in cash or in one or more of such ways, subject to the provisions of the Companies Act, as the board or the shareholders may at the time of authorising the Distribution determine and direct. If as a result of the declaration of a Distribution any shareholders become entitled to fractions of any specific assets of the company, the board may sell the assets represented by such fractions and after deducting the expenses of such sale distribute the balance of the proceeds of the sale amongst the shareholders entitled to the fractions in proportion to their entitlement.
- 7.9 In the case where several persons are registered as the joint holders of any shares, any one of such persons may give to the company effective receipts for all or any Distributions and payments on account of Distributions in respect of such shares.
- 7.10 All cash Distributions (including dividends, interest or other moneys) payable to shareholders shall be paid by electronic funds transfer or as otherwise specified in the resolution declaring the Distribution. Payment by electronic funds transfer into the bank account recorded in the company's bank account register nominated by the shareholder, or in the case of joint shareholders into the bank account nominated by the shareholder whose name stands first in the Securities register in respect of the Share, shall be a good discharge by the company.
- 7.11 Every payment of a Distribution made by electronic funds transfer shall be made at the risk of the shareholders or joint shareholders. The company shall not be responsible for the loss or misdirection of any electronic funds transfer.
- 7.12 Any unclaimed Distributions payable or distributable to a shareholder may be invested or otherwise made use of by the board, as it deems fit, for the benefit of the company until it is claimed by the person entitled to the Distribution in question at any time before that Distribution.
- 7.13 Any cash Distributions made by the company from time to time shall be held by the company in trust indefinitely until lawfully claimed by the relevant shareholders or holder of Securities, but subject to the laws of prescription applicable from time to time, or until the company is wound up.

## ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

### 8. ACQUISITION BY THE COMPANY OR ITS SUBSIDIARY OF SECURITIES IN THE COMPANY

#### 8.1 The board may, with the approval of a special resolution of the shareholders, determine that:

- 8.1.1 the company will acquire a number of its own shares; or
- 8.1.2 a Subsidiary of the company will acquire a number of shares in the company, subject to the provisions of section 48 and the Listings Requirements, provided that a pro rata repurchase by the company of shares from all shareholders will not require shareholder approval other than in circumstances contemplated in article 8.2.

#### 8.2 A decision by the board contemplated in article 8.1:

- 8.2.1 must be approved by a Special Resolution of the shareholders if any shares are to be acquired by the company from a Director or Prescribed Officer of the company; and
- 8.2.2 is subject to the requirements of sections 114 and 115 if, considered alone or together with other transactions in an integrated series of transactions, it involves the acquisition by the company of more than 5% (five per centum) of the issued shares of any particular class of the company's shares.

### 9. CORPORATE ACTIONS REQUIRED TO COMPLY WITH THE LISTINGS REQUIREMENTS

The company shall, for so long as the company's shares are listed on the JSE, ensure that all of the company's corporate actions comply with the Listings Requirements.

### 10. SHAREHOLDERS' MEETINGS

#### 10.1 Person entitled to attend, speak and vote at meetings

- 10.1.1 No person other than a shareholder (or its representatives or proxies) in respect of a class of shares, held by that shareholder as reflected in the Securities register, shall be entitled to attend, speak and vote at a meeting of that class of shareholders.
- 10.1.2 Directors and representatives and advisers of the company, such as legal and financial advisers or auditors, shall be entitled to attend a meeting but shall have no right to speak (unless invited to speak by the chairperson of the meeting) or vote at such meeting.

#### 10.2 Record date for determining shareholder rights

- 10.2.1 Notwithstanding anything to the contrary in section 59 of the Companies Act and/or this MOI, while the shares of the company are listed on the JSE, the record date for the purposes of determining shareholder rights shall be determined in accordance with the Listings Requirements.
- 10.2.2 Should the Listings Requirements not provide a manner for determining the record date in a specific instance, or should the shares of the company no longer be listed on the JSE, the board may in terms of section 59(1) of the Companies Act set a record date for the purpose of determining shareholder rights.

#### 10.3 Right to call a shareholders' meeting

- 10.3.1 The board may, in terms of section 61(1) of the Companies Act, call a shareholders' meeting at any time.
- 10.3.2 If at any time there shall not be within the Republic sufficient directors capable of acting to form a quorum, any Director or shareholders of the company holding in aggregate 10% (ten per centum) of the total voting rights may convene a general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the directors.
- 10.3.3 Notwithstanding any provision of the Companies Act to the contrary, and in addition to other meetings of shareholders that may be convened from time to time, the company shall convene annual general meetings of its shareholders from time to time in accordance with the provisions of the Companies Act and the Listings Requirements.

#### 10.4 Location of shareholders' meetings

The board, directors, company secretary or auditor, as the case may be, of the company convening a shareholders' meeting may determine the location of the meeting (including the location of a meeting which has been adjourned), provided that the any such meeting may only be held in the Republic and not in a foreign country, and provided that the location shall allow for electronic participation by shareholders in the manner contemplated in section 63(2).

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 10. SHAREHOLDERS' MEETINGS CONTINUED

### 10.5 Electronic participation at shareholders' meetings

The company may conduct a shareholders' meeting entirely by electronic communication or provide for participation in a meeting by electronic communication, as set out in section 63, and the power of the company to do so is not limited or restricted by this MOI.

### 10.6 Notice of shareholders' meetings

10.6.1 A notice of a meeting of shareholders must be delivered:

- 10.6.1.1 to each of the shareholders as of the applicable record date for delivery of that notice who is entitled to vote at such meeting and who has elected to receive such documents;
- 10.6.1.2 to the auditors for the time being of the company in terms of section 93(1)(c)(ii); and
- 10.6.1.3 if expressly required in terms of an instrument appointing a proxy which has been delivered to the company, to the proxy or proxies of a shareholder, in such form and content as prescribed in section 62(3), at least 15 (fifteen) business days before the date on which the meeting is to begin in the case of both ordinary resolutions and Special Resolutions unless, in terms of section 62(2A), the meeting is called on a shorter period of notice.

### 10.7 Chairperson of a shareholders' meeting

The chairperson of the board for the time being shall chair shareholders' meetings. If, however, there is no chairperson of the board or if he has notified his inability or unwillingness to attend a shareholders' meeting or if at any meeting he is not present within the 15 (fifteen) minutes after the appointed time for the meeting to begin, then the shareholders present at the meeting shall choose another Director to chair the meeting. If no Director is present or if none of the directors present is willing to chair the meeting, then the shareholders present at the meeting shall choose one of their number to chair the meeting.

### 10.8 Shareholders' resolutions

- 10.8.1 For an ordinary resolution to be adopted, it must be supported by more than 50% (fifty per centum) of the voting rights exercised on the resolution by all holders of Ordinary shares entitled to vote at and present or represented at the general meeting or annual general meeting convened to approve such ordinary resolution, as provided in section 65(7) of the Companies Act.
- 10.8.2 For a special resolution to be adopted, it must be supported by the holders of at least 75% (seventy five per centum) of the voting rights exercised on the resolution by all Ordinary shares entitled to vote at and present or represented at the general meeting or annual general meeting convened to approve such special resolution, as provided in section 65(9) of the Companies Act, subject to the Listings Requirements.

### 10.9 Quorum for shareholders' meetings

- 10.9.1 The quorum at a general meeting must be at least 3 (three) shareholders and shareholders holding at least 25% (twenty five per centum) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting.
- 10.9.2 Once a quorum has been established, sufficient shareholders to comprise a quorum must remain present at the meeting to deal with any matter to be considered at and on the agenda for the meeting.
- 10.9.3 If, within 1 (one) hour of the appointed time for a meeting to begin:
  - 10.9.3.1 a quorum is not present, the meeting shall be postponed without motion, vote or further deliberation for 1 (one) week (or if the day to which the meeting is postponed is not a business day, to the next business day thereafter); or
  - 10.9.3.2 the requisite quorum for consideration of a particular matter to begin is not present:
    - 10.9.3.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or
    - 10.9.3.2.2 if there is no other business on the agenda of the meeting, the meeting is adjourned for 1 (one) week, without motion or vote (or if the day to which the meeting is postponed is not a business day, to the next business day thereafter).



## ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

### 10. SHAREHOLDERS' MEETINGS CONTINUED

#### 10.9 Quorum for shareholders' meetings continued

- 10.9.4 Should any meeting of the shareholders of the company which has been constituted as quorate in terms of article 10.9.1 cease to be quorate at any time during such meeting due to the departure of any shareholder/s, then such meeting shall be adjourned as soon as the meeting ceases to be quorate without any matters being further considered or voted upon.
- 10.9.5 If, at the time appointed in terms of this article 10.9 for a postponed meeting to begin or for an adjourned meeting to resume, the requirements of article 10.9.1 have not been satisfied, the shareholders present in person or by proxy at such postponed or adjourned meeting will be deemed to constitute a quorum.
- 10.9.6 Should any meeting of the shareholders be postponed or adjourned as contemplated under this article 10.9, such postponement or adjournment (as the case may be) shall, to the extent required under the Listings Requirements, be announced to shareholders on SENS.

#### 10.10 Adjournment of meetings of shareholders

- 10.10.1 The time periods allowed in section 64(4) and (5) apply to the company.
- 10.10.2 There shall be no limitation on the period for which a shareholders' meeting may be adjourned.

#### 10.11 Directors to be present at shareholders meetings

Any director of the company may attend and speak at any general meeting, but may not vote, unless he is a shareholder or the proxy or representative of a shareholder.

#### 10.12 Votes of shareholders

- 10.12.1 At a meeting of shareholders, voting shall be by polling.
- 10.12.2 Any shareholder who is present at the meeting has the number of votes determined in accordance with the voting rights associated with the shares registered in the name of the shareholder in question.
- 10.12.3 The chairperson of the meeting will not, in his capacity as chairperson, have a casting vote in addition to any vote he may have by virtue of being a shareholder.
- 10.12.4 Scrutineers shall be appointed by the chairperson to count the votes on a poll and to declare the result of the poll, and their declaration, which shall be announced by the chairperson of the meeting at the meeting, shall be deemed to be the resolution of the meeting at which the poll was demanded. In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting shall determine the dispute and his determination made in good faith shall be final and conclusive.
- 10.12.5 On a poll a shareholder (or its representative or proxy) entitled to more than one vote is in relation to the company free to vote, in his discretion, all or any of his shares the same way or differently or to abstain from voting in respect of all or any of his shares, as he chooses.
- 10.12.6 When there are joint registered holders of any shares, any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled to do so, but if more than one of the joint holders is present at any meeting, that joint holder whose name appears first in the Securities register in respect of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect of such shares. Several executors or administrators of a deceased shareholder in whose name any shares stand shall be deemed joint holders of those shares.
- 10.12.7 The parent or guardian of a shareholder who is a minor, the executor or administrator of a shareholders who is deceased, the trustee of a shareholder who is insolvent and the curator bonis of a shareholder who is mentally incapacitated or prodigal, may vote at any general meeting in the same manner as if he were the registered holder of those shares, provided that during the business day immediately preceding the date appointed for the meeting to begin or if the meeting is adjourned the date appointed for the resumption of the adjourned meeting at which he proposes to vote, he satisfies the board that he is such parent, guardian, executor, administrator, trustee or curator or that the board has previously admitted his right to vote in respect of those shares.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 10. SHAREHOLDERS' MEETINGS CONTINUED

### 10.9 Quorum for shareholders' meetings continued

- 10.12.8 The total voting rights of all Securities, other than Ordinary shares and any Securities which are special shares created for the purpose of black economic empowerment in terms of the Broad-based Black Economic Empowerment Act, No 53 of 2004 and the Codes promulgated under such Act, shall not be more than 24.99% (twenty-four point nine nine per centum) of the total votes (including the votes of holders of Ordinary shares) exercisable at that meeting.

### 10.10 Proxies

- 10.13.1 At any time, a shareholder may, in respect of any class of shares held by that shareholder, appoint any individual, including an individual who is not a shareholder of the company, as a proxy to participate in, and speak and vote at, a meeting of that class of shareholders (or to give or withhold written consent in respect of a decision contemplated in section 60) on behalf of the shareholder, provided that the shareholder may appoint more than one proxy to exercise voting rights attached to different shares of that class of shares held by that shareholder.
- 10.13.2 In order for the appointment by a shareholder of a proxy to be valid, both the appointment and the proxy form (or instrument appointing a proxy), must comply with the requisite formalities, and with the requirements as to content, set out in section 58 read with this article 10.13. The proxy form (or instrument appointing a proxy) must be in writing, dated and signed by the shareholder.
- 10.13.3 If a shareholder requests a "standard" proxy form from the company, the company secretary shall prepare or cause to be prepared a standard form of proxy, subject to and in compliance with section 58(9) and article 10.13.2.
- 10.13.4 All of the remaining provisions of section 58 relating to the appointment and revocation of proxies and the rights of proxies generally shall apply provided that:
- 10.13.4.1 a shareholder or his proxy must deliver to the company a copy of the instrument appointing a proxy before the proxy exercises that shareholder's rights; and
- 10.13.4.2 unless the instrument appointing a proxy provides otherwise, a shareholder's proxy may decide, without direction from the shareholder, whether to exercise or abstain from exercising any voting right of the shareholder, as set out in section 58(7), and none of such rights or powers are limited, restricted or varied by this MOI.
- 10.13.5 Any person who is a proxy or purported proxy specified in a proxy form, or instrument appointing a proxy which is disregarded, or the voting of whom is disregarded, shall not be entitled to attend or speak or vote at the meeting of shareholders in question, and shall forthwith remove himself from the meeting in question at the request of the chairperson of the meeting or at the request of any one or more directors or any one or more shareholders of the company, failing which he may be removed from the meeting at the cost of the shareholders for whom the proxy purports to act.
- 10.13.6 A vote given by a proxy in accordance with the terms of the proxy form or instrument appointing that proxy shall be valid, notwithstanding the previous death or insanity of the principal, or revocation of the authority, unless notice in writing of the death, insanity or revocation has been received by the company before the commencement of the meeting of shareholders concerned.

### 10.11 Round robin resolutions of shareholders

- 10.14.1 A resolution that could be voted on at a shareholders' meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to the resolution and voted on in writing by shareholders (or their proxies as contemplated in article 10.13) entitled to exercise voting rights in relation to the resolution within 20 (twenty) business days after the resolution was submitted to them.
- 10.14.2 A resolution contemplated in article 10.14.1 will have been adopted if it supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary resolution or Special Resolution, as the case may be, at a properly constituted shareholders' meeting.
- 10.14.3 Within 10 (ten) business days after adopting a resolution as contemplated in article 10.14.1, the company must deliver a statement describing the results of the vote or consent process to every shareholder who was entitled to vote on or consent to the resolution.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 10. SHAREHOLDERS' MEETINGS CONTINUED

### 10.11 Round robin resolutions of shareholders continued

- 10.14.4 The business of the company required by the Companies Act or this MOI to be conducted at an annual general meeting of the company may not be conducted in the manner contemplated in this article 10.
- 10.14.5 Where the Listings Requirements require a resolution of the shareholders for any reason, such resolution shall be proposed to the shareholders at a meeting of the shareholders and shall not be submitted to them in terms of section 60, save for any of the resolutions proposed to –
- 10.14.5.1 change of the name of the company;
  - 10.14.5.2 approve an odd-lot offer;
  - 10.14.5.3 increase the authorised Share capital of the company; and
  - 10.14.5.4 amend this MOI;
- which resolutions may be proposed as written resolutions in accordance with the provisions of section 60.

## 11. DIRECTORS AND THE BOARD

### 11.1 Powers of the board

- 11.1.1 The business and affairs of the company shall be managed by or under the direction of the board, which has the authority to exercise all the powers and perform any of the functions of the company, except to the extent that the Companies Act or this MOI provides otherwise.
- 11.1.2 The directors may, from time to time, at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the company.

### 11.2 Composition of the board

- 11.2.1 The board shall comprise not less than the minimum number of directors required in terms of the Companies Act but always subject to the minimum number of directors required in terms of the Listings Requirements, being 4 (four) directors as at the date of the adoption of this MOI.
- 11.2.2 Should the number of directors comprising the board fall below 4 (four) as contemplated in clause 11.2.1, the remaining directors, must as soon as possible, and, in any event, not later than 3 (three) months from the date that the number of directors falls below the minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies.
- 11.2.3 A failure by the company to have the minimum number of directors during the 3 (three) month period does not limit or negate the authority of the board or invalidate anything done by the board or the company. After the expiry of the 3 (three) month period, the remaining directors will only be permitted to act for the purpose of filling vacancies or calling general meeting of shareholders.

### 11.3 Election of directors

- 11.3.1 Subject to section 66(4)(b) and clause 11.3.4, the shareholders shall be entitled at a general meeting of the company to elect all of the directors of the company (and their alternates) for the time being and from time to time, by a separate ordinary resolution with respect to each such Director and each alternate; provided that (i) if the shareholders do not elect an alternate with respect to any Director, the board shall be entitled to appoint such alternate(s) and (ii) such alternate is not a person previously proposed to the shareholders as an alternate or as a Director but who was not elected by the shareholders when put to the vote.
- 11.3.2 A Director shall not be required to hold any shares in the company.
- 11.3.3 The shareholders shall have the right to nominate persons for appointment as directors; provided that such right shall not include the right to appoint or remove any Director/s, and the appointment of all directors shall be subject to shareholder approval, as contemplated by the Listings Requirements.
- 11.3.4 Subject to section 66(4)(b), the board has the power to appoint directors (i) to fill a casual vacancy (being a vacancy on the board which does not amount to the number of directors being less than the minimum number of directors prescribed in terms of this MOI) or (ii) as an addition to the board, provided that such appointment must be confirmed by the shareholders at the next annual general meeting of the company (in accordance with article 11.3.1).

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 11. DIRECTORS AND THE BOARD CONTINUED

### 11.4 Rotation of non-executive directors

The elected directors shall rotate in accordance with the provisions of this clause 11.4:

- 11.4.1 At each annual general meeting of the company, one third of the non-executive directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to one third, but not less than one third, shall retire from office; provided that the meeting is not conducted in terms of section 60.
- 11.4.2 The elected directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. Life directorships and directorships for an indefinite period shall not be permitted.
- 11.4.3 A retiring Director shall act as a Director throughout the meeting at which he or she retires and may be re-elected, provided that such Director is eligible and makes himself available for re-election.
- 11.4.4 The company may, at the annual general meeting at which a Director retires in the above manner, or at any other general meeting, fill the vacancy created by such retirement by electing another person thereto in accordance with article 11.3.1.

### 11.5 Ineligible or disqualified persons: appointment a nullity

- 11.5.1 No person may be appointed or elected as a Director (or his alternate), or be an ex officio Director (or his alternate), or be entitled to serve or continue to serve as a Director (or an alternate Director) of the company, if that person is or becomes ineligible or disqualified from being entitled to serve as a Director in terms of section 69 and if at the time of his appointment or election that person is so ineligible or disqualified then his appointment is a nullity in terms of section 66(6).
- 11.5.2 Any person whose appointment as a Director is a nullity in terms of section 66(6), shall not be counted towards a quorum of directors and his vote shall be disregarded with effect from the time it was purportedly cast with the possible consequence that a decision or approval by the board in which such person participated might need to be reversed with effect from the time it was made if the application of this article results in the meeting or resolution of the directors not being quorate or the decision or vote not being passed by the requisite majority.

### 11.6 Remuneration of directors and expenses

- 11.6.1 The company shall entitled to pay such remuneration to directors for their services as directors as has been approved by a Special Resolution of the shareholders adopted within the period of two years immediately before the date of any proposed payment of any such remuneration.
- 11.6.2 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 Subsidiary of, the company and in this event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors.
- 11.6.3 The directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the company, and in attending meetings of the directors or of committees thereof; and if any Director is required to perform extra services or to reside abroad or shall be specifically occupied about the company's business, he may be entitled to receive such remuneration as is determined by a disinterested quorum of directors, which may be either in addition to or in substitution for any other remuneration.

### 11.7 Board committees

- 11.7.1 Subject to this article 11.7, the board may appoint any number of committees of directors and delegate to any such committee any of the authority of the board, provided that the committees may include persons who are not directors of the company.
- 11.7.2 Any committee so appointed by the board shall, in the exercise of the authority so delegated to it, have the full authority of the board in respect of the matter referred to it save that it must conform to any requirements that may from time to time be imposed by the board.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 11. DIRECTORS AND THE BOARD CONTINUED

### 11.7 Board committees continued

- 11.7.3 A committee appointed by the board may consult with or receive advice from any person at the expense of the company with the prior approval in each instance of the board. The board's approval may be a specific or general approval and may be given in the terms of reference for that committee or from time to time by board resolution or applicable board committee resolution.
- 11.7.4 The company has established a social and ethics committee as required by section 72(4) and regulation 43(2), which committee shall comprise not less than three directors or Prescribed Officers of the company, at least one of whom must be a Director who is not involved in the day-to-day management of the company's business, and must not have been so involved within the previous three financial years.

### 11.8 Executive directors

- 11.8.1 The board may from time to time appoint a Director or directors to be managing Director or chief executive officer or joint managing directors/chief executive officers of the company, or acting managing Director or chief executive officer, or to be the holder of any other executive office in the company, and may determine the period of office of such appointee and may, subject to any contract between him or them and the company, from time to time terminate his or their appointment and appoint another or others in his or their place or places.
- 11.8.2 A managing Director or chief executive officer so appointed shall not, while holding such office, be subject to retirement by rotation as envisaged in article 11.4 or taken into account in determining the rotation of retirement of directors.
- 11.8.3 A Director who is appointed in terms of the provisions of article 11.8.1 to the office of managing Director or chief executive officer of the company, or to any other executive office in the company, may be paid such remuneration not exceeding a reasonable maximum in each year in respect of such office or services as may be determined by a disinterested quorum of the directors.

### 11.9 Appointment of the chairperson

- 11.9.1 The directors may elect a chairperson and a deputy chairperson or lead independent Director and determine the period for which each is to hold office. The chairperson, or in his absence the deputy chairperson or lead independent Director, shall be entitled to preside over all meetings of directors. If no chairperson or deputy chairperson or lead independent Director is elected, or if at any meeting neither is present or willing to act as chairperson thereof within 10 (ten) minutes of the time appointed for holding the meeting, the directors present shall choose 1 (one) of their number to be chairman of such meeting.

### 11.10 Directors' meetings

- 11.10.1 calling a board meeting
- Subject to section 71(3) and save as may be provided otherwise herein, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 11.10.2 notice of board meetings
- 11.10.2.1 Subject to section 73(5)(a), a notice of a board meeting must be in writing and delivered to each Director of the company (including each alternate Director) at their business address nominated in writing to the company secretary for such purpose, at least 7 (seven) days before the date appointed for the board meeting, unless:
- 11.10.2.1.1 the managing Director/chief executive officer and chairperson determine, in their sole discretion, that the business to be conducted is of sufficient urgency to justify a shorter notice period; or
- 11.10.2.1.2 all the directors waive such notice.

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 11. DIRECTORS AND THE BOARD CONTINUED

### 11.10 Directors' meetings continued

- 11.10.3 quorum for board meetings
- 11.10.3.1 The quorum requirement for a directors' meeting (including an adjourned meeting) shall be a majority of the total number of directors.
- 11.10.3.2 If within 1 hour of the appointed time for a board meeting to begin a quorum is not present, then the meeting is automatically postponed for one week at the same time and venue.
- 11.10.3.3 If at the time a matter is to be considered at a meeting, a quorum is not present and there is no other business on the agenda, the meeting will be automatically adjourned for one week at the same time and venue.
- 11.10.3.4 If at the time a particular matter is to be considered at the meeting, a quorum is not present, but there is other business remaining on the agenda, consideration of that matter may be postponed to a later time in the meeting.
- 11.10.3.5 The company shall not be required, to give further notice of a board meeting that is postponed or adjourned unless:
- 11.10.3.5.1 the location for the meeting is different from:
- 11.10.3.5.1.1 the location of the postponed or adjourned meeting; or
- 11.10.3.5.1.2 the location announced at the time of adjournment, in the case of an adjourned meeting; or
- 11.10.3.5.2 it is necessary to inform directors of the availability of participation in the postponed or adjourned meeting by electronic communication.
- 11.10.4 deemed quorum at a postponed or adjourned meeting  
If at the appointed time for a postponed meeting to begin or an adjourned meeting to resume, the quorum requirements are not met, then those directors present in person at the meeting including those participating electronically will be deemed to constitute a quorum.
- 11.10.5 continuing quorum during meeting  
After a quorum has been established for a meeting or for a matter to be considered at a meeting, the meeting may continue or the matter may be considered, so long as at least one Director is present at the meeting.
- 11.10.6 voting by directors
- 11.10.6.1 Each Director has 1 (one) vote on a matter before the board.
- 11.10.6.2 A majority of the votes cast on a resolution is sufficient to approve that resolution and, in the case of a tied vote, the chairperson shall not have a casting vote and the matter being voted on fails.
- 11.10.7 electronic participation at board meetings  
In accordance with section 73(3), the board may conduct a meeting entirely by electronic communication or provide for participation in a meeting by one or more directors by electronic communication, provided that the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 11.10.8 round robin resolutions by the board  
A decision that could be voted on at a meeting of the board may, instead be adopted by written consent of a majority of the directors, given in person or by electronic communication, provided that each Director has received notice of the matter to be decided. Such resolution, inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Director who signed it (unless a statement to the contrary is made on that resolution).
- 11.10.9 minutes  
The company must keep all minutes of board and board committee meetings, including all resolutions adopted by the board or board committees, as the case may be, in accordance with section 73(6).

# ANNEXURE A: NEW MOI *continued*

for the year ended 28 February 2023

## 11. DIRECTORS AND THE BOARD CONTINUED

### 11.11 Indemnification and Director's insurance

11.11.1 The company shall be entitled to:

- 11.11.1.1 advance expenses to a Director and/or directly or indirectly indemnify a Director in respect of the defence of legal proceedings to the extent contemplated in section 78(4);
- 11.11.1.2 indemnify a Director in respect of liability as set out in section 78(5); and/or
- 11.11.1.3 purchase insurance to protect the company or a Director as set out in section 78(7), and the powers of the company in this regard is not limited, restricted or extended by this MOI.

11.11.2 The provisions of clause 11.11.1 shall apply mutatis mutandis in respect of any former Director, prescribed officer or member of any committee of the board, including the audit committee.

## 12. EXTENDED ACCOUNTABILITY REQUIREMENTS IN CHAPTER 3 OF THE COMPANIES ACT

The company, being a public company, is required in terms of section 34(1) to comply with the provisions of Chapter 3 (Enhanced Accountability and Transparency) of the Companies Act.

### 12.1 Company Secretary

- 12.1.1 The company must appoint a company secretary.
- 12.1.2 The company secretary must have the requisite knowledge of, or experience in respect of, relevant laws and be a permanent resident of the Republic.
- 12.1.3 The board must fill any vacancy in the office of company secretary within 60 (sixty) business days after such vacancy arises by a person whom the directors consider to have the requisite knowledge and experience.

### 12.2 Auditors

- 12.2.1 Each year at its annual general meeting, the company must appoint an auditor.
- 12.2.2 The auditor shall be appointed subject to and in compliance with the requirements and criteria set out in sections 90 and 92.

### 12.3 Audit committee

- 12.3.1 The company must establish an audit committee comprising at least three members, all of whom shall be non-executive independent directors. All members of the audit committee must be independent as envisaged in the Companies Act and the Listings Requirements.
- 12.3.2 The members of the audit committee must be elected at each annual general meeting of the company, in accordance with and subject to the requirements and criteria as to the members and composition of such a committee as set out in section 94.
- 12.3.3 If a vacancy arises on the audit committee, the board must fill such vacancy within 40 (forty) business days, and the appointment must be ratified at the next annual general meeting.
- 12.3.4 Neither the appointment nor the duties of the audit committee of the company reduce the functions and duties of the board, except with respect to the appointment, fees and terms of engagement of the auditor.
- 12.3.5 The company shall pay all expenses reasonably incurred by its audit committee, including, if the audit committee considers it appropriate, the fees of any consultant or specialist engaged by the audit committee to assist it in the performance of its functions, subject to any board approved budgetary constraints with respect thereto having regard to, amongst other financial constraints, the solvency and liquidity test as applied to the company.
- 12.3.6 At least one third of the members of the company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

## **ANNEXURE A: NEW MOI** *continued*

for the year ended 28 February 2023

### **13. WINDING UP**

#### **13.1 While the company is:**

- 13.1.1 solvent, the company may be wound-up in terms of Part G of Chapter 2 of the Companies Act; or
- 13.1.2 insolvent, the company may be wound-up as an insolvent company in terms of the applicable laws of insolvency prevailing.

13.2 If the company is to be wound up, the assets remaining after payment of the debts and liabilities of the company shall be distributed among the shareholders in proportion to the number of Ordinary shares held by each of them, provided that the provisions of this article shall be subject to the rights of the holders of shares (if any) issued upon special conditions.

13.3 In a winding-up of the company, any part of the assets of the company, including any Securities of other companies may, with the sanction of a special resolution of the company, be paid to the shareholders of the company in specie, or may, with the same sanction, be vested in trustees for the benefit of such shareholders, and the liquidation of the company may be closed and the company dissolved.

### **14. SHARE INCENTIVE SCHEME**

If the board wishes to implement a share incentive scheme for the company, same will be subject to the Companies Act, the Regulations, the Listing Requirements and approval therefore by way of Special Resolution of the shareholders of the company at an annual general meeting or a general meeting called for this purpose.

### **15. DISPUTE RESOLUTION**

15.1 Any dispute between any one or more persons bound by the provisions of this MOI, which cannot be resolved by negotiation and agreement within 7 (seven) business days of any party to the dispute or any other person bound by this MOI requesting such resolution, may be dealt with by any such party to the dispute in terms of Chapter 7 (Remedies and Enforcement) of the Companies Act. The persons bound by this MOI shall use their respective best endeavours to negotiate in good faith with each other and any applicable third party for purposes of reaching a resolution of the dispute in question within such 7 (seven) business day period

### **16. NOTICES**

16.1 All notices intended or required to be given by the company to any shareholder of the company shall be given in any manner authorised by the Companies Act and the Regulations.

16.2 Each shareholder of the company:

- 16.2.1 shall notify in writing to the company an address, which address shall be his registered address for the purposes of receiving written notices from the company by post; and
- 16.2.2 may notify in writing to the company an email address and/or any other electronic address, which address shall be his address for the purposes of receiving notices by way of electronic communication and if such an address is provided, the shareholder consents to any notices by the company being sent to that shareholder by way of electronic communication and not in hard copy, to the extent permitted in terms of the Companies Act and the Listings Requirements.

16.3 Any shareholder whose address in the Securities Register is an address not within the Republic, and who shall from time to time furnish the company with an address within the Republic at which notices can be served upon him, shall be entitled to have notices served upon him at such address.

16.4 In the case of joint holders of a Share, all notices shall, unless such holders otherwise in writing request and the directors agree, be given to that shareholder whose name appears first in the Securities Register and a notice so given shall be deemed sufficient notice to all the joint holders.

16.5 Any notice sent by any means permitted by the Regulations shall be deemed to have been delivered as provided for that method of delivery in the Regulations.



## **ANNEXURE A: NEW MOI** *continued*

for the year ended 28 February 2023

### **16. NOTICES CONTINUED**

- 16.6 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any Share, shall be bound by every notice in respect of that Share which, prior to his name and address being entered in the Securities Register, was given or deemed to be given to the person from whom he derives his title to such Share.
- 16.7 Any notice or document delivered or sent by post to or left at the registered address of any shareholder in pursuance of this MOI shall, notwithstanding that such shareholder was then deceased, and whether or not the company has notice of his death, be deemed to have been duly served in respect of any shares, whether held solely or jointly with other persons by such shareholder, until some other person be registered in his stead as the sole or joint holder thereof, and such service shall for all purposes of this MOI be deemed a sufficient service of such notice or document on his heirs, executors or administrators, and all persons (if any) jointly interested with him in any such shares.
- 16.8 Notices for shareholders' meetings must be sent to the JSE at the same time as the notice is given to the shareholders. Notices for shareholders' meetings must also be published via SENS, or any successor service.

# SHAREHOLDERS' DIARY

for the year ended 28 February 2023

Record date to receive notice of AGM	Friday, 23 June 2023
Release of the results on SENS	Friday, 30 June 2023
Publication of the annual reports (mailed to shareholders)	Friday, 30 June 2023
Last day to trade in order to be eligible to participate and vote at the AGM	Tuesday, 18 July 2023
Record date for voting purposes	Friday, 21 July 2023
Proxy date and time	Thursday 27 July 2023 at 10:00
<b>Annual general meeting</b>	<b>Monday, 31 July 2023 at 10:00</b>
Financial year-end	Last day of February
Half year	Last day of August

**Notes:**

The above dates and times are subject to change. Any changes will be released on SENS.

# FORM OF PROXY

**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")

**(For use by certificated shareholders and own name dematerialised shareholders)**

Form of proxy for the annual general meeting of Insimbi to be held at Insimbi Offices at 359 Crocker Road, Wadeville, Germiston, on Monday 31 July 2023 at 10:00.

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares (dematerialised shares) through a Central Securities Depository Participant (CSDP) or broker, as the case may be, unless you are recorded on the sub-register as an "own name" dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the company's sub-register.

This form of proxy is only for use by certificated, "own name" dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the company's sub-register as the holder of dematerialised ordinary shares.

**Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, participate in and speak and vote in place of that shareholder at the annual general meeting, and at any adjournment thereafter.**

Please note the following:

- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the annual general meeting;
- The appointment of the proxy is revocable; and
- You 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.

Please note that any shareholder of the company that is a company may authorise any person to act as its representative at the annual general meeting. Please also note that section 63(1) of the Companies Act 71 of 2008 requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

**Note that voting will be performed by way of a poll so each member present or represented by way of proxy will be entitled to one vote in respect of every share held or represented.**

I/We (name in block letters) \_\_\_\_\_

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

Telephone: Work ( ) \_\_\_\_\_ Telephone: Home ( ) \_\_\_\_\_ Cellphone number \_\_\_\_\_

being the holder/s of \_\_\_\_\_ ordinary shares in the company, hereby appoint (refer to note 1)

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

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

the Chairperson of the annual general meeting

as my/our proxy to attend, speak, vote and act for me/us on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the company registered in my/our name/s, in accordance with the following instructions (refer to note 2).

My/our proxy may delegate to another person his/her authority to act on my/our behalf at the annual general meeting, provided that my/our proxy:

- must provide written notification to the transfer secretaries of the company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the annual general meeting by no later than Thursday, 27 July 2023 at 10:00 being 48 (forty-eight) hours before the annual general meeting to be held at 10:00 on Monday, 31 July 2023; and
- must provide to his/her proxy with a copy of his/her authority to delegate his/her authority to act on my/our behalf at the general meeting.

	Number of votes on a poll (one vote per ordinary share)		
	In favour	Against	Abstain
<b>Ordinary resolutions</b>			
1. Adoption of annual financial statements			
<b>Confirmation and re-election of directors</b>			
2. Confirmation of appointment of Mr N Mwale			
<b>Appointment of Audit and Risk Committee</b>			
3. Appointment of Mr RI Dickerson to the Audit and Risk Committee			
4. Appointment of Mr N Mwale to the Audit and Risk Committee			
5. Appointment of Ms CS Ntshingila to the Audit and Risk Committee			
6. Appointment of Moore Cape Town Inc. as external auditor			
7. Indemnification of directors			
8. General authority to issue shares or options for cash			
<b>Non-binding advisory vote</b>			
1. Remuneration policy			
2. Implementation report			
<b>Special resolutions</b>			
1. Proposed adoption of new memorandum of incorporation of the company			
2. Approval of non-executive directors' fees			
3. General approval to repurchase company shares			
4. Inter-company financial assistance in terms of Section 45 of the Companies Act			
5. Financial assistance for the subscription and/or purchase of shares to related or inter-related companies in terms of Section 44 of the Companies Act			

Signed at \_\_\_\_\_ on \_\_\_\_\_, 2023.

Signature \_\_\_\_\_

(Authority of signatory to be attached if applicable – see note 7)

Please also read the notes overleaf.

# NOTES TO THE FORM OF PROXY

for the year ended 28 February 2023

1. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter.
2. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy to vote or abstain as the Chairperson deems fit.
3. 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 box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote, or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her 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 by his/her proxy. A proxy shall be entitled to demand that voting take place on a poll.
5. Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the annual general meeting.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form, unless previously recorded by the Company Secretary or waived by the Chairperson of the annual general meeting. CSDPs or brokers registered in the company's sub-register voting on instructions from beneficial owners of shares registered in the company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company Secretary or to the transfer secretaries, together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but may not be accepted by the Chairperson.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
9. Completed Forms of Proxy must be e-mailed to proxy@computershare.co.za to be received by Computershare Investor Services Proprietary Limited by no later than Thursday, 27 July 2023 at 10:00. Any forms of proxy not submitted by this time can still be lodged by email to proxy@computershare.co.za prior to the commencement of the meeting.

## SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT, 71 OF 2008

Please note that in terms of section 58 of the Act:

- this proxy form must be dated and signed by the shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a shareholder of the company, to participate in and speak and vote at a shareholders' meeting on your behalf;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the company or to the transfer secretaries of the company namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the annual general meeting;
- the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the annual general meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you 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. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of (i) the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the company and the proxy as aforesaid;
- if this proxy form has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Act, or the company's memorandum of incorporation, to be delivered by the company to you, will be delivered by the company to you or your proxy or proxies, if you have directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the annual general meeting, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the annual general meeting or any adjournment or postponement thereof or for a period of six months, whichever is shorter, unless it is revoked by you before then on the basis set out above.

# ADMINISTRATION

<b>DIRECTORS</b>	F Botha N Winde RI Dickerson N Mwale CS Ntshingila
<b>REGISTERED OFFICE</b>	359 Crocker Road Wadeville, Extension 4 Germiston 1407 Gauteng
<b>BUSINESS ADDRESS</b>	359 Crocker Road Wadeville, Extension 4 Germiston 1407 Gauteng
<b>POSTAL ADDRESS</b>	PO Box 14676 Wadeville Germiston 1422 Gauteng
<b>BANKER</b>	ABSA Bank
<b>AUDITOR</b>	Moore Cape Town Inc. Registered Auditor
<b>SPONSOR</b>	PSG Capital
<b>COMPANY SECRETARY</b>	M Madhlophe
<b>COMPANY REGISTRATION NUMBER</b>	2002/029821/06
<b>TAX REFERENCE NUMBER</b>	9078/488/15/3
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