THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 8 of this Circular apply to the entire Circular, including, where appropriate, this cover.

Action required:

This entire Circular is important and should be read with particular attention to the section entitled "Action required by Winhold Shareholders in relation to the Scheme and the Termination of the Listing", which commences on page 3 of this circular.

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

If you have disposed of all your Winhold ordinary shares, please forward this Circular, the attached form of proxy in respect of the General Meeting of Winhold Shareholders *(pink)* and form of surrender (*blue*) to the purchaser to whom, or the Broker, CSDP, banker or other agent through whom, the disposal was effected.

Winhold and Wafima do not accept responsibility, and will not be held liable for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Beneficial Owner of Winhold Shares to notify such Beneficial Owner of the transaction set out in this Circular.

WINHOLD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1945/019679/06)
("Winhold" or "the Company")
Share code: WNH ISIN Code: ZAE000033916

WAFIMA MANUFACTURING AND DISTRIBUTION PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2016/4521347/07)
("Wafima" or "the Offeror")

CIRCULAR TO WINHOLD SHAREHOLDERS

relating to:

- **the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Winhold Board between Winhold and Winhold Shareholders in terms of which, if implemented, Wafima will acquire all of the Scheme Shares from Scheme Participants for the Scheme Consideration;**
- **the termination of the listing of the Winhold Shares on the JSE;**

and incorporating:

- **a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act;**
- **extracts of section 115 of the Companies Act dealing with the approval requirements for the Scheme and section 164 of the Companies Act dealing with Dissenting Shareholders' appraisal rights;**
- **the Notice of General Meeting of Winhold Shareholders;**
- **a form of proxy in respect of the General Meeting of Winhold Shareholders (*pink*) (for use by Certificated Winhold Shareholders and Dematerialised Winhold Shareholders with own name registration only); and**
- **a form of surrender for use by Certificated Shareholders and own-name Registration Shareholders.**

Sponsor to Winhold	Auditors to Winhold	Attorneys to Winhold	Independent Expert to Winhold
ARBOR CAPITAL	MAZARS	fluxmans ATTORNEYS	nodus

Date of issue: 28 July 2017

This Circular is only available in English and appears on the website of the company at www.winhold.co.za. Copies of this Circular may also be obtained during normal business hours from the registered office of Winhold and the offices of Arbor Capital Sponsors Proprietary Limited at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from the date of issue hereof until the date of the General Meeting.

CORPORATE INFORMATION AND ADVISORS

The definitions commencing on page 8 of this Circular apply *mutatis mutandis* to this Corporate Information section.

Directors of Winhold

WAR Wenteler (*Chairman)*
W Fourie (Chief Executive Officer and acting Financial Director)
PC Nash *
MJ Fry #*
R Naidoo #*
H Jeena #*

*non-executive # independent

Company Secretary and registered office of Winhold

GJ O'Connor
884 Linton Jones Street
Industries East
Germiston, 1401
(PO Box 5324, Johannesburg 2000)

Date and place of incorporation of Winhold

29 September 1945, South Africa

Sponsor to Winhold

Arbor Capital Sponsors Proprietary Limited
Registration number 2006/033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191
(Suite #439, Private Bag X29, Gallo Manor, 2052)

Legal Advisor to Winhold

Fluxmans Inc.
Registration number 2000/024775/21
30 Jellicoe Avenue
Rosebank, 2196
(Private Bag X41, Saxonwold 2132)

Auditors to Winhold

Mazars
Practise number 900222
Mazars House
54 Glenhove Road
Melrose Estate
Johannesburg, 2196
(PO Box 6697, Johannesburg 2000)

Transfer Secretaries of Winhold

Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown 2107)

Independent Expert to Winhold

Nodus Capital Proprietary Limited
Registration number 2007/004536/07
Building 2
Commerce Square Office Park
39 Rivonia Road
Sandhurst
Johannesburg, 2196
(PO Box 553696, Northlands, 2116)

Directors of Wafima

Z Fubu

Company Secretary and registered office of Wafima

884 Linton Jones Street
Industries East
Germiston, 1401
(PO Box 5324, Johannesburg 2000)

Date and place of incorporation of Wafima

20 October 2016, South Africa

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 8 of this Circular apply to this section on Important Legal Notes.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Winhold that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Winhold cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Winhold operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Winhold, made by Winhold as communicated in publicly available documents by the Company, all of which estimates and assumptions, although Winhold believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Winhold or not currently considered material by Winhold.

Winhold Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Winhold not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Winhold has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

FOREIGN WINHOLD SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Act Regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. Winhold Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme, with care. Any decision to approve the Scheme or other response to the proposals should be made only on the basis of the information in this Circular.

Any Winhold Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

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ACTION REQUIRED BY WINHOLD SHAREHOLDERS IN RELATION TO THE SCHEME AND THE TERMINATION OF THE LISTING

The definitions and interpretations commencing on page 8 of this Circular apply to this section on the action required by Winhold Shareholders.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other financial advisor. If you have disposed of all of your Winhold Shares, this Circular should be handed to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

A General Meeting of Winhold Shareholders will be held at 10h00 on Thursday, 31 August 2017 in the Boardroom at 884 Linton Jones Street, Industries East, Germiston to consider and, if deemed fit, to pass the resolutions required to *inter alia* enable Wafima to acquire all the issued Winhold Shares (save for the treasury shares held by Winhold and those held by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 below) in terms of a scheme of arrangement under the Companies Act, and to terminate the listing of the Winhold Shares on the JSE in terms of the Listings Requirements. A notice convening such General Meeting is attached to, and forms part of, this Circular.

Please take careful note of the following provisions regarding the action to be taken by Winhold Shareholders.

1. **IF YOU HAVE DEMATERIALISED YOUR WINHOLD SHARES AND DO NOT HAVE OWN-NAME REGISTRATION**

1.1 **Voting at the General Meeting**

1.1.1 If you do not wish to, or are unable to, attend or appoint a proxy to represent you at the General Meeting and you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker immediately and furnish your CSDP or Broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or Broker in terms of the Custody Agreement between you and your CSDP or Broker.

1.1.2 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the Custody Agreement between you and your CSDP or Broker.

1.1.3 You must not complete the attached form of proxy in respect of the General Meeting of Winhold Shareholders (*pink*).

1.2 **Attendance and representation at the General Meeting**

1.2.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

1.2.1.1 attend, speak and vote at the General Meeting; or

1.2.1.2 appoint a proxy to represent you at the General Meeting.

1.2.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting. You will not be permitted to attend, speak or vote at the General Meeting, or appoint a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you.

1.3 **Surrender of Documents of Title**

You must **not** complete the form of surrender *(blue).*

1.4 **Settlement of Scheme Consideration**

If the Scheme becomes operative, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Winhold Shares you are transferring to Wafima on the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1.2 of this Circular, on the date set out in paragraph 4.7.1.2 of this Circular.

2. IF YOU HAVE NOT DEMATERIALISED YOUR WINHOLD SHARES OR IF YOU HAVE DEMATERIALISED YOUR WINHOLD SHARES WITH OWN-NAME REGISTRATION

2.1 **Voting, attendance and representation at the General Meeting**

You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in respect of the General Meeting of Winhold Shareholders *(pink)* in accordance with the instructions contained therein and returning it to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (PO Box 61051, Marshalltown, 2107) to be received by them no later than 10h00 on Tuesday, 29 August 2017], alternatively, such form of proxy may be handed to the Chairman of the General Meeting prior to the holding of the vote in respect of the resolution in question.

2.2 **Surrender of Documents of Title (this applies only to Certificated Winhold Shareholders and not to own-name Dematerialised Winhold Shareholders)**

2.2.1 You are required to complete the attached form of surrender (*blue*) in accordance with its instructions and return it, together with the Documents of Title representing all your Certificated Winhold Shares, to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (PO Box 61763, Marshalltown 2107), to be received by them by no later than 12h00 on the Scheme Consideration Record Date.

2.2.2 Documents of Title held by Certificated Winhold Shareholders in respect of their Winhold Shares will cease to be of any value, and shall not be good for delivery, from the Operative Date, other than for surrender in terms of the Scheme and/or the Appraisal Rights.

2.3 **Settlement of Scheme Consideration**

2.3.1 ***Certificated Winhold Shareholders***

2.3.1.1 If the Scheme becomes operative and you have surrendered your Documents of Title to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (PO Box 61763, Marshalltown, 2107) on or before 12h00 on the Scheme Consideration Record Date, the Scheme Consideration will be posted to you, at your risk, within five Business Days of the Operative Date.

2.3.1.2 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative:

2.3.1.2.1 you should complete the form of surrender (*blue*) in accordance with its instructions and return it, together with your Documents of Title, to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (PO Box 61763, Marshalltown, 2107); and

2.3.1.2.2 it should be noted that you will not be able to Dematerialise or deal in your Winhold Shares between the date of surrender of your Documents of Title and the Operative Date or, if the Scheme does not become operative, the date on which your Documents of Title are returned to you pursuant to paragraph 2.3.1.5 below.

2.3.1.3 If the Scheme becomes operative and you surrender your Documents of Title after 12h00 on the Scheme Consideration Record Date, the Transfer Secretaries will only post the Scheme Consideration to you, at your risk, within five Business Days of receipt of your Documents of Title and form of surrender (*blue*), provided that should you:

2.3.1.3.1 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, you will still need to surrender your Documents of Title, together with a completed form of surrender (*blue*), to the Transfer Secretaries and the Scheme Consideration will only be posted to you on the date set out in paragraph 4.7.1.2 of this Circular; and

2.3.1.3.2 fail to surrender your Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries within three years after the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, within three years after the date on which you subsequently became a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, the Scheme Consideration due to you will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Winhold, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to pay the Scheme Consideration to the benefit of the Guardian's Fund in the aforesaid manner.

2.3.1.4 Documents of Title surrendered prior to 12h00 on the Scheme Consideration Record Date in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at the risk of the Certificated Winhold Shareholder, pending the Scheme becoming operative.

2.3.1.5 Should the Scheme not become operative, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

2.3.2 ***Own-name Dematerialised Winhold Shareholders***

2.3.2.1 If you are an own-name registered Dematerialised Winhold Shareholder who is, or is deemed (pursuant to paragraph 4.7.1 of this Circular) to be, a Scheme Participant, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Winhold Shares you are transferring to Wafima pursuant to the Scheme on the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.8.1 of this Circular, on the date contemplated in paragraph 4.7.1 of this Circular.

2.3.2.2 You must not complete the attached form of surrender (*blue*).

If you wish to Dematerialise your Winhold Shares, please contact your CSDP or Broker. Winhold Shareholders should note that it will take between one to 10 Business Days to Dematerialise their Winhold Shares through their CSDP or Broker. Winhold Shareholders that do not have a CSDP or Broker can contact the Transfer Secretaries directly to Dematerialise their Winhold Shares on 011-370-5000.

No Dematerialisation or re-materialisation of Winhold Shares may take place from the Business Day following the Scheme LDT. You do not need to Dematerialise your Winhold Shares to receive the Scheme Consideration.

Winhold Shareholders are advised to consult their professional advisors about their personal tax positions regarding the Scheme.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 8 of this Circular shall apply to this section.

	2017
Record date for Winhold Shareholders to be recorded in the Register in order to receive this Circular	Friday, 21 July
Circular posted to Winhold Shareholders and notice convening the General Meeting released on SENS on	Friday, 28 July
Notices convening the General Meeting published in the South African press on	Monday, 31 July
Last day to trade Winhold Shares in order to be recorded in the Register on the Scheme Voting Record Date on	Tuesday, 22 August
Scheme Voting Record Date being 17h00 on	Friday, 25 August
Proxy forms to be lodged at Transfer Secretaries by 10h00 on	Tuesday, 29 August
Last date and time for Winhold Shareholders to give notice to Winhold objecting, in terms of section 164(3) of the Companies Act, to the special resolution approving the Scheme for purposes of the Appraisal Rights by 10h00 on	Thursday, 31 August
Proxy forms not lodged with Transfer Secretaries to be handed to the Chairman of the General Meeting before 10h00	Thursday, 31 August
General Meeting of Winhold Shareholders to be held at 10h00 on	Thursday, 31 August
Results of General Meeting released on SENS on	Thursday, 31 August
Results of General Meeting published in the South African press on	Friday, 1 September
If the Scheme is approved by Winhold Shareholders at the General Meeting:	
Last date for Winhold Shareholders who voted against the Scheme to require Winhold to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act (where applicable) on	Thursday, 7 September
Last date for Winhold Shareholders who voted against the Scheme to apply to court for leave to apply for a review of the Scheme in terms of section 164(3)(b) on	Thursday, 14 September
Last date for Winhold to send objecting Winhold Shareholders notices of the adoption of the special resolution approving the Scheme, in accordance with section 164 of the Companies Act, on	Thursday, 14 September
Action	
The following dates assume that neither court approvals nor the review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:	
Finalisation Date expected to be on	Tuesday, 26 September
Finalisation Date announcement expected to be released on SENS on	Tuesday, 26 September
Finalisation Date announcement expected to be published in the South African press on	Wednesday, 27 September
Last Day to Trade-entitlement to Scheme Consideration	Tuesday, 3 October
Suspension of listing of Winhold Shares at the commencement of trade on the JSE	Wednesday, 4 October

	2017
Scheme Consideration Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on or about	Friday, 6 October
Expected Operative Date of the Scheme on	Monday, 9 October
Scheme Consideration will be sent by EFT or by cheque to Certificated Shareholders who have lodged their Form of Election with the transfer secretaries on or before 12h00 on the Scheme Consideration Record Date, on or about	Monday, 9 October
Dematerialised Scheme Participants expected to have their accounts with their CSDP or broker credited with the Scheme Consideration or or about	Monday, 9 October
Expected termination of listing of Winhold Shares on the JSE at the commencement of trade on or about	Tuesday, 10 October

Notes:

1. The above dates and times are subject to such changes as may result from the operation of the provisions of the Offer Letter or as may be agreed to by Winhold and Wafima and approved by the TRP and/or the JSE, if required. If the Scheme Conditions are not met by 30 September 2017, an updated timetable will be released on SENS and published in the South African press.
2. Winhold Shareholders should note that, as trade in Winhold Shares on the JSE is settled through Strate, settlement of trades takes place three Business Days after the date of such trades. Therefore, Winhold Shareholders who acquire Winhold Shares on the JSE after the last day to trade in Winhold Shares in order to be recorded in the Register on the Scheme Voting Record Date will not be entitled to vote at the General Meeting.
3. Winhold Shareholders who wish to exercise their Appraisal Rights are referred to Annexure 5 to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
4. Dematerialised Winhold Shareholders, other than those with own-name registration, must provide their CSDP or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective Custody Agreements.
5. No Dematerialisation or re-materialisation of Winhold Shares may take place from the Business Day following the Scheme LDT.
6. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
7. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act Regulations, where applicable, and any such consents or dispensations must be specifically applied for and granted.
8. All times referred to in this Circular are references to South African time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"Appraisal Rights"	the rights afforded to Winhold Shareholders in terms of section 164 of the Companies Act as set out in Annexure 5 to this Circular;
"Beneficial Owner"	a person on whose behalf any Dematerialised Winhold Share (not held in own-name form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement;
"Broker"	any person registered as a "*broking member (equities)*" in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
"Business Day"	a day which is not a Saturday, Sunday or official public holiday in South Africa;
"Cash Offer"	the Cash Offer in terms of the Scheme, being 125 cents per Scheme Share;
"cents"	South African cents, in the official currency of South Africa;
"Certificated Winhold Share"	a Winhold Ordinary Share that has not been Dematerialised, title to which is evidenced by a Document of Title;
"Certificated Winhold Shareholder"	a Winhold Shareholder who holds Certificated Winhold Shares;
"Circular"	this Circular to Winhold Shareholders, dated 28 July 2017, together with the annexures hereto, and including the Notice of General Meeting of Winhold Shareholders, the form of proxy (*pink*) in relation to the General Meeting of Winhold Shareholders and the form of surrender (*blue*);
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Companies Act Regulations"	the Companies Act Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
"CSDP"	Central Securities Depository Participant as defined in the Financial Markets Act;
"Custody Agreement"	a custody mandate agreement between a Beneficial Owner and a CSDP or Broker, regulating their relationship in respect of Dematerialised Winhold Shares held on Winhold's uncertificated securities register administered by a CSDP or Broker on behalf of that Beneficial Owner;
"Dematerialise" or "Dematerialised" or "Dematerialisation"	the process by which Certificated Winhold Shares are converted into an electronic format as Dematerialised Winhold Shares and recorded in Winhold's uncertificated securities register administered by a CSDP;
"Dematerialised Winhold Share"	a Winhold Ordinary Share that has been Dematerialised or has been issued in Dematerialised form, and is held on Winhold's uncertificated securities register administered by a CSDP;
"Dematerialised Winhold Shareholder"	a Winhold Shareholder who holds Dematerialised Winhold Shares;

"Dissenting Shareholders"	Winhold Shareholders who validly exercise their Appraisal Rights by demanding, in terms of sections 164(5) to 164(8) of the Companies Act, that the Company pay them the fair value of all of their Winhold Shares;
"Documents of Title"	certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Winhold Shares in question acceptable to the Winhold Board;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
"Finalisation Date"	the date on which all the Scheme Conditions shall have been fulfilled or waived, as the case may be, as set out in paragraph 4.4 of this Circular;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"General Meeting"	the General Meeting of Winhold Shareholders to be held at 10h00 on Thursday, 31 August 2017 at 884 Linton Jones Street, Industries East, Germiston, to consider and, if deemed fit, approve the Scheme Resolution and any other resolutions proposed in the Notice of General Meeting of Winhold Shareholders;
"Offer Letter"	the letter lodged by Wafima with the Winhold Board on or about 5 May 2017 in terms of which, *inter alia*, the Offeror confirmed its firm intention to make an offer to acquire all of the issued ordinary shares of Winhold excluding 709 345 treasury shares held by Winhold, with commercial effect from 1 September 2017, by way of the Scheme;
"Independent Board"	collectively, Mesdames R Naidoo, MJ Fry and Mr H Jeena, being Independent Non-Executive Directors of Winhold;
"Independent Expert"	Nodus Capital Proprietary Limited (registration number 2007/004535/07), a private company incorporated in accordance with the laws of South Africa;
"JSE"	the Johannesburg Stock Exchange, licensed under the Financial Markets Act, operated by JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being Friday, 21 July 2017;
"Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"Notice of General Meeting"	the Notice of General Meeting of Winhold Shareholders forming part of this Circular;
"Operative Date"	the date on which the Scheme becomes operative, being the first Business Day immediately following the Scheme Consideration Record Date, which operative date is expected to be Monday, 9 October 2017;
"Offer"	means the offer by Wafima to acquire all of the issued shares of Winhold, other than 709 345 treasury shares held by Winhold by way of the Scheme;
"Proposed Transaction"	the transaction pursuant to which Wafima intends to acquire all of the issued Winhold Shares other than 709 345 treasury shares held by Winhold pursuant to the Scheme;
"Rand" or "R"	South African Rand, in the official currency of South Africa;
"Register"	Winhold's securities register, including all uncertificated securities registers;

"Scheme" or "Scheme of Arrangement"	the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Winhold Board between Winhold and the Winhold Shareholders, which scheme of arrangement is more fully described in paragraph 4 of this Circular, in terms of which Wafima will, if the Scheme becomes operative, acquire all Scheme Shares held by Scheme Participants for the Scheme Consideration, subject to any modification or amendment to the Scheme agreed to in writing by the Offeror and Winhold and, if necessary, the TRP, which modification or amendment may not be detrimental to Scheme Participants;
"Scheme Conditions"	the conditions precedent to which the Scheme is subject, as set out in paragraph 4.3 of this Circular;
"Scheme Consideration"	the Cash Offer;
"Scheme Consideration Record Date"	17h00 on the third Business Day after the Scheme LDT, being the latest time and date for holders of Winhold Shares to be registered as such in the Register in order to receive the Scheme Consideration, which date and time is expected to be 17h00 on Friday, 6 October 2017;
"Scheme LDT"	the last day to trade Winhold Shares on the JSE in order to be registered in the Register on the Scheme Consideration Record Date, which date and time is expected to be at 17h00 on Tuesday, 3 October 2017;
"Scheme Members"	Winhold Shareholders who are entitled to attend and vote at the General Meeting, being those Winhold Shareholders who are registered as such in the Register on the Scheme Voting Record Date;
"Scheme Participants"	Winhold Shareholders who are entitled to receive the Scheme Consideration, being those Winhold Shareholders who are registered as such in the Register on the Scheme Consideration Record Date, and Dissenting Shareholders who have not withdrawn their demands made in terms of sections 164(5) to 164(8) of the Companies Act or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse;
"Scheme Resolution"	means the special resolution, as contemplated in section 115(2) of the Companies Act, in terms of which Winhold Shareholders are required to approve the Scheme;
"Scheme Shares"	all Winhold Shares held by Scheme Participants on the Scheme Consideration Record Date;
"Scheme Voting Record Date"	the last time and date for Winhold Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the General Meeting (or any adjournment thereof), being 17h00 on Friday, 25 August 2017;
"SENS"	the Stock Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;
"Strate"	the electronic clearing and settlement system used by the JSE and operated by Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated under the laws of South Africa;
"TRP"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa;

"Wafima"	Wafima Manufacturing and Distribution Proprietary Limited (registration number 2016/452134/07), a private company incorporated under the laws of South Africa;
"Winhold" or "the Company"	Winhold Limited (registration number 1945/019679/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
"Winhold Board" or "Winhold Directors"	the Directors of Winhold as at the Last Practicable Date, whose names are set out on page 12 of this Circular;
"Winhold Shares"	ordinary shares of no par value in Winhold; and
"Winhold Shareholders"	the holders of Winhold Shares.

WINHOLD

WINHOLD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1945/019679/06)
("Winhold" or "the Company")
Share code: WNH ISIN Code: ZAE000033916

Directors of Winhold

WAR Wenteler *(Chairman)*
W Fourie *(Chief Executive Officer and acting Financial Director)*
MJ Fry#*
H Jeena#*
R Naidoo#*
PC Nash *
** Non-Executive*
 # Independent

CIRCULAR TO WINHOLD SHAREHOLDERS

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1. **INTRODUCTION**

1.1 Winhold Shareholders are referred to the announcement by Winhold released on SENS on 15 June 2017, and published in the press on 19 June 2017, advising of the firm intention of Wafima to make an offer to acquire all the Winhold Shares by way of a scheme of arrangement in terms of section 114 of the Companies Act, on the terms set out in paragraph 4 of this Circular.

1.2 In the event that the Scheme is implemented:

1.2.1 Wafima will become the registered and beneficial owner of all the issued Winhold Shares (other than the 709 345 treasury shares and any Winhold Shares held by Dissenting Shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 below);

1.2.2 Scheme Participants will receive the Scheme Consideration for the Scheme Shares held by them on the Scheme Consideration Record Date; and

1.2.3 the listing of Winhold Shares on the JSE will be terminated.

2. The Scheme Consideration is at a 50,66% premium to the 30-day VWAP of 83 cents per Winhold Share traded on the JSE up to 25 May 2017, being the last business day immediately prior to the date of the cautionary announcement released on 26 May 2017.

3. For a full understanding of the Proposed Transaction, this Circular should be read in its entirety. The attention of Winhold Shareholders is also drawn to the Offer Letter, which is a document available for inspection in terms of paragraph 25 below.

2. **PURPOSE OF THIS CIRCULAR**

The purpose of this Circular is to:

2.1 provide Winhold Shareholders with information regarding the Scheme;

2.2 provide Winhold Shareholders with the Independent Expert's report in respect of the Scheme and the termination of the listing of the Winhold Shares on the JSE;

2.3 advise Winhold Shareholders of the Independent Board's opinion in respect of the Scheme (as supported by the Independent Expert's report); and

2.4 convene the General Meeting to consider and, if deemed fit, approve the resolutions as set out in the Notice of General Meeting, including the resolution relating to the termination of the listing of the Winhold Shares on the JSE.

3. BACKGROUND INFORMATION ON WAFIMA AND RATIONALE FOR THE SCHEME

The Offeror is a special purpose company incorporated and controlled by Mr. Zola Fubu, who is one of the members of the BEE Consortium introduced into Winhold, through its subsidiaries, Inmins Trading Proprietary Limited and Gundle Plastics Group Proprietary Limited, in 2006. The BEE Consortium, together with qualifying employees of the subsidiaries, holds 25,1% of the issued share capital of each subsidiary. The effective interest of Mr. Fubu in each subsidiary is 5,8%, making him the biggest individual black shareholder in the subsidiaries. He operates as an independent distribution agent of Winhold through Fubu Plastics Proprietary Limited.

The Board and the major shareholders of the Company have for some time been of the view that the share price of the Company has not fully reflected the intrinsic value of the Company.

The issue of remaining listed in an environment where this reflection of value is not present has also been a concern.

In the circumstances, the Proposed Transaction by the Offeror is in the view of the Winhold Board worthy of consideration by Winhold Shareholders as envisaged above.

4. THE SCHEME

4.1 Rationale for the Scheme

Given the aforementioned factors, the Independent Board believes that it is in the interests of Winhold and Winhold Shareholders that they be given the opportunity to consider the Proposed Transaction.

4.2 Terms and Conditions of the Scheme

4.2.1 In terms of section 114(1) of the Companies Act, the Winhold Board proposes the Scheme as set out in this paragraph 4 between the Company and the Winhold Shareholders. The Scheme will constitute an "affected transaction" as defined in section 117(1)(c) of the Companies Act and will be regulated by the Companies Act, the Companies Act Regulations and the TRP.

4.2.2 In terms of the Scheme, Wafima will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration.

4.2.3 If the Scheme takes effect and becomes operative:

4.2.3.1 the Scheme Participants shall be deemed to have disposed of their Scheme Shares, free of encumbrances, to Wafima on the Operative Date in exchange for the Scheme Consideration and Wafima shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares as of the Operative Date;

4.2.3.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by each such Scheme Participant to Wafima and the acquisition of ownership of these Scheme Shares by Wafima pursuant to the provisions of the Scheme shall be effected on the Operative Date;

4.2.3.3 each Scheme Participant shall be deemed to have transferred to Wafima, on the Operative Date, all of the Scheme Shares held by each such Scheme Participant, without any further act or instrument being required;

4.2.3.4 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 4;

4.2.4 Each Scheme Participant irrevocably and *in rem suam* authorises Winhold, as principal, with power of substitution, to cause the Scheme Shares disposed of by the Scheme Participants in terms of the Scheme to be transferred to, and registered in the name of, Wafima on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as Winhold in its discretion considers necessary in order to effect that transfer and registration.

4.2.5 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Wafima may otherwise be, or claim to be, entitled against any Scheme Participant.

4.2.6 Winhold, as principal, shall procure that Wafima complies with its obligations under the Scheme, and Winhold alone shall have the right to enforce those obligations (if necessary) against Wafima.

4.2.7 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against Winhold only. Scheme Participants will be entitled to require Winhold to enforce its rights in terms of the Scheme against Wafima.

4.2.8 The effect of the Scheme, *inter alia*, will be that Wafima will, with effect from the Operative Date, become the registered and beneficial owner of all the Scheme Shares.

4.2.9 Wafima and Winhold have agreed that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.

4.3 **Scheme Conditions**

4.3.1 The Scheme will be subject to (and will become operative on the Operative Date upon) the fulfillment of the following Scheme Conditions:

4.3.1.1 by not later than 17h00 on 31 August 2017, the approval of the resolutions proposed in the Notice of General Meeting by the requisite majority of Winhold Shareholders is obtained at the General Meeting;

4.3.1.2 by not later than 17h00 on 31 August 2017, to the extent required under section 115(3) of the Companies Act, approval of the implementation of the Scheme Resolution by the court is obtained and, if applicable, Winhold not having treated the Scheme Resolution as a nullity;

4.3.1.3 as at 17h00 on the second Business Day after the date of conclusion of the General Meeting, Winhold Shareholders holding more than 5% (five percent) of all the issued Winhold Shares not having given, in terms of section 164(3) of the Companies Act, valid notice of objection to the Scheme Resolution taken at the General Meeting and those objecting Winhold Shareholders not having voted against the Scheme Resolution in respect of more than 5% (five percent) of the issued Winhold Shares at the General Meeting;

4.3.1.4 by not later than 17h00 on 31 August 2017, the receipt of all regulatory approvals that may be required in connection with the Scheme, including the unconditional approval in writing of the relevant South African competition authority/ies, to the extent required in terms of the Competition Act, of the transaction contemplated by the Scheme, or if such approval is conditional, such conditions being acceptable to the party or parties upon whom they are imposed or upon whom they have an impact, in their sole and absolute discretion;

4.3.1.5 as at 17h00 on the date on which the last of the conditions in paragraphs 4.4.1.3 to 4.4.1.4 has been fulfilled or, where appropriate, waived, none of the following events shall have occurred in respect of Winhold or Wafima:

4.3.1.5.1 any corporate action, legal proceedings or other procedure or other step (including an application to court, proposal of a resolution or convening of a meeting of shareholders, members, Directors or other officers) is taken by any person with a view to:

4.3.1.5.1.1 a moratorium, compromise, composition, business rescue or similar arrangement with any of its creditors;

4.3.1.5.1.2 its winding-up, dissolution or commencement of business rescue proceedings, or for the seeking of relief under any applicable bankruptcy, insolvency, company or similar law, or any such resolution;

it being agreed that this condition shall be regarded as having been fulfilled unless either Winhold or Wafima has informed the other by no later than 17h00 on the date on which the last of the conditions in paragraphs 4.4.1.3 to 4.4.1.4 has been fulfilled or, where appropriate, waived, that it has knowledge that this condition has not been fulfilled; and

4.3.1.6 by not later than 17h00 on 30 September 2017, the TRP has issued a compliance certificate in relation to the Scheme.

4.3.2 The conditions in paragraphs 4.3.1.3 and 4.3.5 (insofar as they relate to Winhold) are stipulated for the benefit of Wafima and may be waived by Wafima in its sole discretion by notice in writing to Winhold prior to the expiry of the relevant time periods set out in paragraphs 4.3.1.3 and/or 4.3.1.5 (or such extended time period as may be agreed in writing between Wafima and Winhold in accordance with paragraph 4.3.4.3), provided that if the condition in paragraph 4.3.1.3 is waived and if any Winhold Shareholder exercises its appraisal rights in terms of section 164 of the Companies Act, the costs of any court process and/or any order that is made against Winhold prior to the Scheme being implemented, shall be funded by Wafima on demand made by Winhold. Wafima shall be entitled but not obliged to control the conduct of any such legal process, in consultation with Winhold, and if it does so it shall bear the costs thereof.

4.3.3 Wafima and Winhold may by agreement in writing and with the prior approval of the TRP (where required), extend the dates for the fulfilment of any one or more of the conditions in paragraph 4.3.1 and such agreement shall not be unreasonably withheld or delayed if the condition is of a regulatory nature and the delay is occasioned on the part of the regulator and the period of the extension accords with the period of the delay.

4.4 **Scheme Consideration**

Subject to paragraph 4.5 if the Scheme becomes unconditional and is implemented, each Scheme Participant will receive the Scheme Consideration for each Scheme Share held by such Scheme Participant as at the Scheme Consideration Record Date.

4.5 **Settlement of the Scheme Consideration**

4.5.1 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 4 to this Circular.

4.5.2 Winhold or its agents will administer and effect settlement of the Scheme Consideration to Scheme Participants.

4.5.3 If the Scheme becomes operative:

4.5.3.1 Scheme Participants who hold Dematerialised Winhold Shares will have their accounts held at their CSDPs or Brokers credited with the Scheme Consideration and debited with the Scheme Shares they are transferring to Wafima pursuant to the Scheme on the Operative Date or, in the case of Dissenting Shareholders who subsequently become Scheme Participants, pursuant to paragraph 4.7.1, on the date contemplated in paragraph 4.7.1.2; and

4.5.3.2 Scheme Participants who hold Certificated Winhold Shares:

4.5.3.2.1 who have surrendered their Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries on or before 12h00 on the Scheme Consideration Record Date, will have the Scheme Consideration posted to them, at their risk, within five Business Days of the Operative Date; or

4.5.3.2.2 who surrender their Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries after 12h00 on the Scheme Consideration Record Date, will have the Scheme Consideration posted to them, at their risk, within five Business Days of the Transfer Secretaries receiving their Documents of Title and completed form of surrender (*blue*), unless such Scheme Participants were Dissenting Shareholders who have subsequently become Scheme Participants pursuant to paragraph 4.7.1, in which case such Scheme Participants will still need to surrender their Documents of Title, together with a completed form of surrender (*blue*), to the Transfer Secretaries and payment of the Scheme Consideration will only be posted to such Scheme Participants, at their risk, on the date set out in paragraph 4.7.1.2.

4.5.3.3 In the event that a Scheme Participant who holds Certificated Winhold Shares fails to surrender its Documents of Title and completed form of surrender *(blue)* to the Transfer Secretaries within three years of the Operative Date or, in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1.2 of this Circular, within three years of the date on which such Dissenting Shareholder became a Scheme Participant, the Scheme Consideration due to such Scheme Participant will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Winhold, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to pay the Scheme Consideration to the benefit of the Guardian's Fund in the aforesaid manner.

4.6 **Effect of the Scheme**

4.6.1 If all of the Scheme Conditions are fulfilled or waived, as the case may be, and the Scheme becomes operative:

4.6.1.1 Scheme Participants (whether they voted in favour of the Scheme or not, or failed to vote) shall, with effect from the Operative Date, be deemed to have disposed of their Scheme Shares to Wafima, which will be deemed to have acquired registered and beneficial ownership of the Scheme Shares in exchange for the Scheme Consideration, and Scheme Participants shall no longer be Winhold Shareholders;

4.6.1.2 Scheme Participants shall be deemed to have irrevocably authorised and instructed Winhold to cause the Scheme Shares to be transferred and registered in the name of Wafima on or at any time after the Operative Date and to take all such steps and sign all such documents as may be necessary to procure such transfer and registration; and

4.6.1.3 Scheme Participants shall be deemed to have instructed Winhold as principal, but with the power to appoint agents, to procure that the Scheme Consideration is settled in accordance with the provisions of the Scheme.

4.6.2 The effect of the Scheme will be that Wafima will, with effect from the Operative Date, become the registered and beneficial owner of all the Scheme Shares.

4.6.3 The Scheme shall be governed by the laws of South Africa only. Each Winhold Shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the Courts of South Africa in relation to all matters arising out of or in connection with the Scheme.

4.7 **Dissenting Shareholders**

4.7.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by the Company in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall, if that Dissenting Shareholder withdrew its demand or allowed the offer to lapse:

4.7.1.1 on or prior to the Scheme LDT, be deemed to be a Scheme Participant and be subject to the provisions of the Scheme; and

4.7.1.2 after the Scheme LDT, be deemed to have been a Scheme Participant as at the Operative Date of the Scheme, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder shall take place on the later of (i) the Operative Date, (ii) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, and (iii) if that Dissenting Shareholder is a Certificated Winhold Shareholder, the date which is five Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed form of surrender *(blue)* to the Transfer Secretaries.

4.7.2 The wording of section 164 of the Companies Act (which sets out the Appraisal Rights) is included in Annexure 5 to this Circular.

4.8 **Foreign Winhold Shareholders and Exchange Control Regulations**

Annexure 4 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

4.9 **Resources for settlement of Scheme Consideration**

In accordance with the Companies Act Regulations 111(4) and 111(5), Wafima has provided the TRP with a guarantee from the Standard Bank of South Africa Limited in an amount not exceeding R180 million based upon acceptance of the Cash offer by all Scheme Members.

4.10 **Restricted jurisdictions**

4.10.1 To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Circular is deemed to have been provided for information purposes only and neither the Winhold Board nor the Wafima Director accepts any responsibility for any failure by Scheme Participants to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

4.10.2 Scheme Participants who are in doubt as to their position should consult their professional advisors.

5. OFFER LETTER

The Offer Letter is available for inspection at the registered office of Winhold.

6. TERMINATION OF LISTING OF WINHOLD SHARES

Following implementation of the Scheme, Winhold will be a wholly-owned subsidiary of Wafima and the listing of the Winhold Shares will be terminated on the JSE.

7. INTERESTS OF WAFIMA AND WAFIMA DIRECTORS IN WINHOLD SECURITIES

7.1 As at the Last Practicable Date, neither Wafima nor its Director held any shares in Winhold.

7.2 Wafima had no dealings in Winhold Shares during the six-month period prior to 1 April 2017 and the period from 1 April 2017 until the Last Practicable Date.

7.3 The sole Wafima Director has had no dealings in Winhold Shares during the six-month period prior to 1 April 2017 or the period from 1 April 2017 until the Last Practicable Date.

8. **INTERESTS OF WAFIMA DIRECTORS IN WAFIMA SECURITIES**

8.1 As at the Last Practicable Date, the sole Wafima Director held 100% of the issued shares in Wafima.

8.2 The sole Wafima Director (including his associates) had no dealings in any shares in Wafima during the six-month period prior to 1 April 2017 and the period from 1 April 2017 until the Last Practicable Date.

9. **INTERESTS OF WINHOLD AND WINHOLD DIRECTORS IN WAFIMA SECURITIES**

9.1 As at the Last Practicable Date, Winhold held no direct or indirect beneficial interests in Wafima. Winhold had no dealings in any shares in Wafima during the six-month period prior to 1 April 2017 or the period from 1 April 2017 until the Last Practicable Date.

9.2 As at the Last Practicable Date, none of the Winhold Directors held any direct or indirect beneficial interests in any shares in Wafima. The Winhold Directors had no dealings in any shares in Wafima during the six-month period prior to 1 April 2017 or the period from 1 April 2017 until the Last Practicable Date.

10. **INTERESTS OF WINHOLD DIRECTORS IN WINHOLD SECURITIES**

10.1 As at the Last Practicable Date, the Winhold Directors held beneficial interests in Winhold Shares as follows:

Director	**Direct**	**Indirect**	**Number of shares**	**Percentage of issued share capital**
WAR Wenteler	17 432 145	–	17 432 145	13,81
W Fourie	60 674		60 674	
MJ Fry	–	–	–	–
H Jeena	–	–	–	–
R Naidoo	–	–	–	–
PC Nash	–	41 571 677	41 571 677	32,94

The Winhold Directors (including their associates) had no dealings in Winhold Shares during the six-month period prior to 1 April 2017 and the period from 1 April 2017 until the Last Practicable Date.

11. **IRREVOCABLE UNDERTAKINGS**

The Offeror has received irrevocable undertakings to vote in favour of the Scheme and the resolutions to be proposed at the Scheme Meeting from the following Winhold shareholders:

- Astra Group Holdings Proprietary Limited, which holds 41 571 677 Winhold Shares (32,94%);
- Mr. WAR Wenteler, who holds and controls 17 432 145 Winhold Shares (13,81%);
- Mr. AR Rapp, who holds and controls 16 914 573 Winhold Shares (13,40%);
- Mr K Heynen who holds and controls 6 002 000 Winhold Shares (4,75%); and
- Kendase Trust who holds and controls 4 007 151 Winhold Shares (3,17%);

representing approximately 68,02% of the Winhold Shares held by the Scheme Members entitled to vote at the Scheme Meeting.

12. **INTERESTS AND DEALINGS IN WINHOLD SHARES AND WAFIMA SHARES BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS**

There have been no dealings in Winhold Shares and/ or any shares in Wafima during the six-month period prior to 1 April 2017 and the period from 1 April 2017 until the Last Practicable Date.

13. **REMUNERATION OF WINHOLD DIRECTORS**

After the implementation of the Scheme, the Winhold Non-Executive Directors reflected on page 12 will resign from the Winhold Board and will cease to receive any remuneration from Winhold.

14. **AGREEMENTS IN RELATION TO THE SCHEME**

14.1 Save for the Offer Letter and the irrevocable undertakings referred to in paragraph 11 above, no agreements have been entered into between Wafima, the sole Wafima director (or persons who were Directors of Wafima in the past 12 months) and/or any shareholders in Wafima (or persons who were holders of shares in Wafima in the past 12 months) and any of Winhold, the Winhold Directors (or persons who were Directors of Winhold in the past 12 months) or Winhold Shareholders (or persons who were Winhold Shareholders in the past 12 months) in relation to the Scheme.

14.2 Wafima confirms that it is the ultimate prospective purchaser of the Scheme Shares and is acting alone and not in concert with any party.

15. **FINANCIAL INFORMATION RELATING TO WINHOLD**

15.1 **Financial information for Winhold**

15.1.1 The audited historical financial information of Winhold for the three financial years ended 30 September 2014, 2015 and 2016 is annexed hereto as Annexure 2.

15.1.2 The interim results of Winhold for the financial period ended 31 March 2017 are annexed hereto as Annexure 3.

16. **THE VIEW OF THE INDEPENDENT BOARD ON THE SCHEME**

16.1 In accordance with the Companies Act Regulations, the Winhold Board has appointed the Independent Board, comprising Mesdames MJ Fry, R Naidoo and Mr H Jeena. The Independent Board has appointed the Independent Expert to compile a report on the Scheme. The sole director of Wafima has provided all relevant information on Wafima requested by the Independent Expert in order to compile the report.

16.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration as contemplated in Companies Act Regulation 110(3)(b). The Independent Board has formed a view of the range of the Scheme Consideration for Winhold Shares, which accords with the range contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Act Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.

16.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Scheme and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Winhold Shareholders and, accordingly, recommend that Scheme Members vote in favour of the Scheme at the General Meeting.

17. **WINHOLD DIRECTORS' SERVICE CONTRACTS**

17.1 There are no service contracts with the Executive Directors of Winhold.

17.2 The Executive and Non-Executive Winhold Directors are appointed for indefinite periods subject to applicable law (including common law) and the provisions of the Company's memorandum of incorporation. The Non-Executive Winhold Directors are subject to retirement by rotation and re-election in terms of the Company's memorandum of incorporation.

18. **REPORT OF THE INDEPENDENT EXPERT**

18.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act, regulation 90 of the Companies Act Regulations is provided in Annexure 1 to this Circular.

18.2 Having considered the terms and conditions of the Scheme and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme are both fair and reasonable to Winhold Shareholders, as each of these terms is respectively defined in the Companies Act Regulations and the Listings Requirements.

19. **INTENDED ACTION OF WINHOLD DIRECTORS**

All the Winhold Directors who beneficially own Winhold Shares intend to vote in favour of the Scheme at the General Meeting.

20. **FOREIGN WINHOLD SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS**

Information regarding Foreign Winhold Shareholders and Exchange Control Regulations is set out in Annexure 4 to this Circular.

21. **TAX IMPLICATIONS FOR WINHOLD SHAREHOLDERS**

The tax treatment of Scheme Participants is dependent on their individual circumstances and on the tax jurisdiction applicable to such Scheme Participants. It is recommended that the Scheme Participants seek appropriate advice in this regard.

22. **INDEPENDENT BOARD RESPONSIBILITY STATEMENT**

The Independent Board accepts responsibility for the information contained in this Circular which relates to Winhold and confirms that, to the best of its knowledge and belief, such information which relates to Winhold is true and the Circular does not omit anything likely to affect the importance of such information.

23. **WAFIMA BOARD RESPONSIBILITY STATEMENT**

The Director of Wafima accepts responsibility for the information contained in this Circular which relates to Wafima and confirms that, to the best of his knowledge and belief, such information which relates to Wafima is true and the Circular does not omit anything likely to affect the importance of such information.

24. **ADVISORS' CONSENTS**

The parties referred to in the "Corporate Information and Advisors" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

25. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by the Winhold Shareholders at the registered offices of Winhold from the date of posting of this Circular until the end of the Operative Date:

25.1 the audited annual financial statements of Winhold for the three financial years ended 30 September 2014, 2015 and 2016;

25.2 the interim results of Winhold for the financial period ended 31 March 2017;

25.3 the consent letters referred to in paragraph 24 of this Circular;

25.4 a signed copy of this Circular;

25.5 the signed report of the Independent Expert;

25.6 the memorandum of incorporation of Winhold;

25.7 the irrevocable letters of undertaking by the shareholders of Winhold referred to in paragraph 11 of this Circular;

25.8 the Offer Letter; and

25.9 the letter of approval of this Circular issued by the TRP.

SIGNED at Johannesburg on behalf of the Board of Directors of Winhold on 28 July 2017.

R Naidoo
Chairperson of the Independent Board

SIGNED at Johannesburg by the Director of Wafima on 28 July 2017

Z Fubu

REPORT OF THE INDEPENDENT EXPERT REGARDING THE SCHEME

5 July 2017

The Independent Board
Winhold Limited
884 Linton Jones Street
Industries East
Germiston
South Africa

Dear Sirs and Mesdames

INDEPENDENT EXPERT OPINION ON THE OFFER BY WAFIMA MANUFACTURING AND DISTRIBUTION HOLDINGS PTY LTD ("Wafima") TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF WINHOLD LTD ("Winhold") (the "Transaction" or "Offer")

Introduction

Winhold Shareholders were advised in an announcement published on SENS on 26 May 2017 (the "Announcement") that the Board of Directors has received an offer from Wafima to acquire 100% of the issued share capital of Winhold.

Wafima proposed that the Offer to Winhold shareholders be implemented by way of a scheme of arrangement (the "Scheme") in terms of section 114 of the Companies Act, 2008, as amended (the "Companies Act"). The Transaction gives rise to an affected transaction in terms of the Companies Act.

In terms of the Offer, Winhold Shareholders will be entitled to receive a cash consideration of 125 cents per Offer share (the "Scheme Consideration" or "Offer Price").

Subsequent to the Announcement, Winhold announced on SENS on 15 June 2017, Wafima's firm intention to acquire 100% of the issued share capital of Winhold, subject to the Conditions Precedent to the Transaction detailed in paragraph 4.3 of the Circular.

As at the date of this opinion, the share capital of the Company comprises of the following:

- Authorised share capital comprising 202 847 596 Ordinary Shares with no par value ("Ordinary Shares"), 75 000 5% redeemable cumulative preference shares of R2 each and 4 288 101 variable rate redeemable cumulative preference shares of 1 cent each; and
- Issued share capital comprising 125 505 786 Ordinary Shares with no par value.

709 345 Ordinary Shares are held as treasury shares.

Full details of the Offer are contained in the Circular to be dated on or about 28 July 2017, which will include a copy of this Opinion of the Independent Expert.

The material interests of the Winhold Directors are set out in paragraph 10 of the Circular. The effects of the Offer, as detailed in the Circular, will also apply to the Directors.

Scope

An Independent Expert's opinion is required to be obtained by the Independent Board in terms of section 114 of the Companies Act and in terms of Regulation 90 of the Takeover Regulations published in terms of section 120 of the Companies Act (the "Takeover Regulations"), as read with Section 117(c)(iii). Section 114 of the Companies Act provides that the Company must retain an Independent Expert who meets the requirements of section 114(2) to compile a report to the Independent Board concerning the proposed arrangement. Copies of Sections 115 and 164 of the Companies Act are included in Annexure 5 of the Circular.

Nodus Capital TS Proprietary Limited ("Nodus") has been appointed by the Independent Board as the Independent Expert to advise on whether the terms and conditions of the Offer are fair and reasonable to the Shareholders of Winhold (the "Opinion" or "fair and reasonable opinion").

Responsibility

The compliance with the Companies Act and the Takeover Regulations is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Offer in compliance with the related provisions of the Companies Act and Takeover Regulations.

We confirm that our fair and reasonable opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Winhold Shareholders in relation to the Offer.

Definition of the terms "fair" and "reasonable"

The "fairness" of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value ceded by the shareholders.

The Offer Price may be said to be fair if the value of the consideration received by the Shareholders for each Winhold Ordinary Share is greater than or equal to the value of one Winhold Ordinary Share or unfair if the consideration received by the Shareholders for each Winhold Ordinary Share is less than the value of one Winhold Ordinary Share.

In terms of the Takeover Regulations, a transaction will be considered reasonable if the offer consideration received by shareholders in terms of the corporate action is higher than the market price of the Company's securities at the time that the corporate action was announced. In addition, other qualitative considerations may be taken into account when considering the reasonableness of the corporate action.

It is therefore conceivable that if the Offer Price exceeds either the estimated fair value per security or current traded price per Winhold Share, but not both, the Offer Price could be considered fair but not reasonable or reasonable but not fair.

Our approach in considering the Transaction

In considering the Offer Price, we have independently calculated the fair value of a Winhold Ordinary Share and compared our fair value of a Winhold Ordinary Share to the Scheme Consideration.

Sources of information

The principal sources of information used in performing our work include:

- The Announcement;
- The terms and conditions of the Transaction, as set out in the Circular;
- Representations and assumptions made available by, and discussions held with, the management of Winhold and the Independent Board;
- Selected macro-economic analysis and forecasts from various South African banks and research institutions;
- Selected publicly available information relating to the industries in which Winhold operates, obtained from management and public sources;
- Share price information of Winhold over the last 12 months to assess the relative liquidity and relative volatility of Winhold shares;
- Thomson Reuters;
- PricewaterhouseCoopers Corporate Finance Valuation Methodology Survey 2015, 7th edition;
- Published market data on Winhold;
- Audited annual financial statements of Winhold for three years ended 30 September 2016;
- Interim financial results of Winhold, including its subsidiaries, for the six months ended 31 March 2017;
- Management forecasts for Winhold's largest and most material subsidiaries, namely Inmins Trading Proprietary Limited and Gundle Plastics Group Proprietary Limited (the "Subsidiaries") to 30 September 2022;
- Relevant information from the 2016 Rode Report (the "Rode Report") in respect of marketed related rental rates and capitalisation rates;
- The 30-day, 60-day and 90-day volume weighted average price ("VWAP") as at the Announcement date for Winhold.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with Winhold management, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, *inter alia*, the annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Procedures performed

In arriving at our Opinion we have undertaken the following procedures in evaluating the fairness of the Transaction:

- Considered the rationale for the Transaction, as represented by Winhold management;
- Reviewed the terms and conditions of the Transaction;
- Supplemented our knowledge and understanding of Winhold and the Subsidiaries as well as the industries in which they operate;
- Held discussions with management on the prospects of the underlying businesses within Winhold;
- Reviewed and analysed the historical financial information of Winhold;
- Consideration around the value of Winhold using a sum of the parts ("SOTP") valuation, taking cognisance of the discounted cash flow valuation performed on the Subsidiaries, market multiples of comparable companies and market capitalisation rates applicable to the properties owned by Winhold;
- Assessed the forecast of Winhold as prepared by management and challenged certain assumptions;
- Reviewed Winhold's historic traded share prices and trading volumes on the Main Board of the JSE Limited ("JSE") to ascertain the relative trading activities, liquidity and volatility of the Winhold Ordinary Shares;
- Reviewed certain publicly available information relating to Winhold and the industries in which it operates that we deemed to be relevant, including company announcements and media articles;
- Performed an analysis of other information considered pertinent to our valuation and Opinion;
- Considered the fact that 68% of Winhold Shareholders have provided an irrevocable undertaking to accept the Offer;
- Considered the fact that the Offer Price is settled in cash; and
- Obtained from the management of Winhold a letter of representation in respect of amongst other things the information shared and/or statements made to us and upon which we have relied.

We have not interviewed any of the Winhold Shareholders to obtain their views on the Transaction.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Transaction to Winhold Shareholders. We believe that the above considerations justify the conclusion outlined below.

Limiting conditions

This Opinion of the Independent Expert is provided to the Independent Board in connection with and for the purposes of the Transaction. The Opinion of the Independent Expert does not purport to cater for each individual Winhold Shareholder's perspective, but rather that of the general body of Winhold Shareholders.

This Opinion of the Independent Expert is provided in terms of the Companies Act. It does not constitute a recommendation to any Winhold Shareholder as to how to vote at any Shareholders' meeting relating to the Transaction or on any matter relating to it. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion of the Independent Expert is used or relied upon for anything other than its intended purpose. Should an individual Winhold Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Accordingly, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

We express no opinion as to how closely actual results will correspond to those projected/forecast by the management of Winhold. We have compared the projected/forecast financial information to past trends as well as discussed the assumptions inherent therein with management.

The above findings are necessarily based upon the information available to us, the financial, regulatory, market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained. Subsequent developments may affect our findings, however, we are under no obligation to update, revise or re-affirm such.

The valuation of companies and businesses is not a precise science and conclusions arrived at, will, in many cases, be subjective and dependent on the exercise of individual judgment.

Valuation

Nodus performed an independent valuation of Winhold to determine whether the Transaction represents fair value to the Winhold Shareholders.

For the purposes of our valuation of Winhold we used the income approach (discounted cash flow) valuation as our primary valuation methodology. In addition, we used the market approach (based on financial data for comparable publicly traded companies) as a corroborative valuation methodology to support the results of our income approach valuation. We assessed the market-related rent paid by the Subsidiaries and the appropriate market value of the properties owned by Winhold by referencing to the Rode Report.

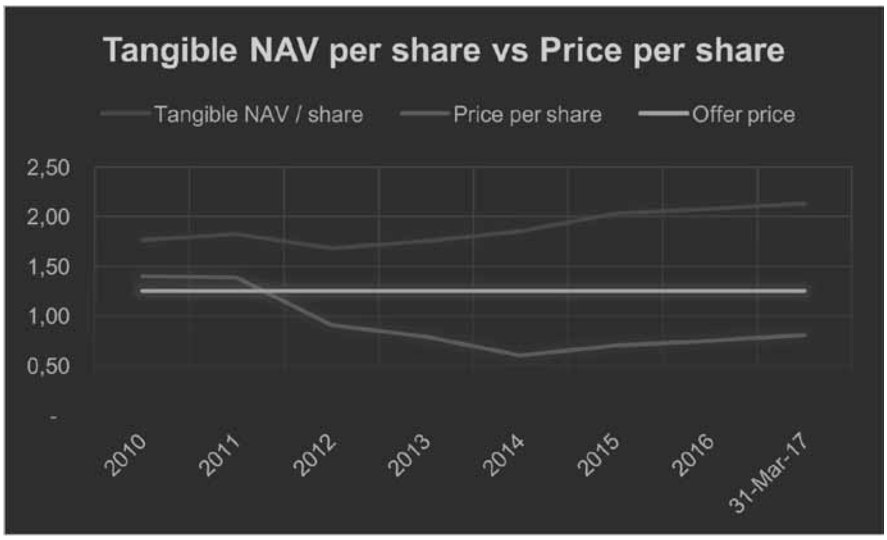
The valuation was performed taking cognisance of risk and other market and industry factors affecting Winhold. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Winhold.

Key internal value drivers included the discount rate, working capital and capital expenditure requirements, operating margins and expected future revenue growth from Winhold's various businesses.

Key external value drivers, including gross domestic product growth rates, interest rates, headline inflation rates and prevailing market and industry conditions in respect of the industries in which Winhold operates were also considered in assessing the forecast cash flows and risk profile of Winhold.

Key internal value drivers to the market approach valuation included an assessment of nonrecurring transactions included in historical results, margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Winhold, as well as an assessment of market-related earnings multiples applicable to comparable companies in the industry in which Winhold operates.

Lastly, we performed a net asset value ("NAV") analysis of Winhold. NAV analysis, however, does not take into account equity market risk to which an investor is exposed to nor the specialised nature of Winhold's property, plant and equipment (which reduces the pool of potential asset buyers) and is thus, in our opinion, a less reliable indicator of value to consider. In addition, to realise or part realise the NAV of Winhold, may take considerable time and cost, weaken the business as parts are disposed of and result in negative socio economic impacts. A further analysis of Winhold's NAV, dating back to 30 September 2010, revealed that Winhold's share price has historically traded at a substantial discount to NAV, with the average discount over the period equating to approximately 50,6%. Winhold's share price performance *viz-à-viz* its NAV since 30 September 2010 is graphically represented below:



Assumptions

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially;
- Winhold is not involved in any material legal proceedings other than those conducted in the ordinary course of business and/or as disclosed in the Circular;
- Winhold is, at the date of this Opinion of the Independent Expert, not engaged in any advanced discussions relating to any acquisitions or transactions that will have a significant impact on the value of Winhold, other than those disclosed in the Circular;
- Winhold has no material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of Winhold;
- The agreements that have been entered into in terms of the Transaction will be legally enforceable;
- The Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Winhold;
- Reliance can be placed on the financial information of Winhold;
- For the purposes of this Opinion of the Independent Expert, we assumed Winhold's existing businesses to be ongoing under current business plans and management; and
- Representations made by Winhold management and their advisors during the course of forming this Opinion of the Independent Expert.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our Opinion by:

- Reliance on audit reports in the financial statements of Winhold;
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of Winhold and the economic environment in which it operates.

Valuation results

In undertaking the valuation exercise of Winhold above, we determined a valuation range of the Winhold Ordinary Shares of 119 cents to 146 cents per ordinary share with a most likely value of 132 cents per ordinary share.

The Scheme Consideration falls within our concluded valuation range of Winhold.

The valuation above is provided solely in respect of this Opinion and should not be used for any other purposes.

Reasonableness of the Offer

The Scheme Consideration represents a premium of 50,66 % to the VWAP of Winhold Ordinary Shares on the JSE for the 30 days prior to the Announcement on 26 May 2017. Measured over a 60-day and 90-day period, the premium is 51,4% and 51,3%, respectively. Lastly, the Transaction provides Winhold shareholders with the opportunity to trade out of an illiquid asset.

Opinion

Nodus has considered the terms and conditions of the Transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction, based on quantitative considerations, are fair to the Winhold Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Transaction are reasonable from the perspective of the Winhold Shareholders.

Our Opinion is necessarily based upon the information available to us up to 15 June 2017, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

Independence, competence and fees

We confirm that we have no direct or indirect interest in Winhold Ordinary Shares or the Transaction. We also confirm that we have the necessary qualifications and competence to provide the independent opinion on the Transaction.

Furthermore, we confirm that our professional fee of R125 000 (excluding VAT) is not contingent upon the success of the Transaction.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the Shareholders of Winhold in the form and context in which it appears and in any required regulatory announcement or documentation

Yours faithfully

Johan le Roux CA(SA)
Director: Nodus Capital TS (Proprietary) Limited
Building 2
Commerce Square Office Park
39 Rivonia Road
Sandhurst
2196

Annexure A | Copy of section 114 of the Act

"114. Proposals for scheme of arrangement.

(1) Unless it is in liquidation or in the course of business rescue proceedings in terms of Chapter 6, the Board of a company may propose and, subject to subsection (4) and approval in terms of this Part, implement any arrangement between the Company and holders of any class of its securities, by way of, among other things –

(a) a consolidation of securities of different classes;

(b) a division of securities into different classes;

(c) an expropriation of securities from the holders;

(d) exchanging any of its securities for other securities;

(e) a re-acquisition by the Company of its securities; or

(f) a combination of the methods contemplated in this subsection.

[Sub-s. (1) substituted by s. 70 (a) of Act No. 3 of 2011.]

(2) The company must retain an independent expert, who meets the following requirements, to compile a report as required by subsection (3):

(a) The person to be retained must be –

(i) qualified, and have the competence and experience necessary to –

(aa) understand the type of arrangement proposed;

(*bb*) evaluate the consequences of the arrangement; and

(*cc*) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities, or a creditor of the Company; and

(ii) able to express opinions, exercise judgment and make decisions impartially.

(b) The person to be retained must not –

(i) have any other relationship with the Company or with a proponent of the arrangement, such as would lead a reasonable and informed third party to conclude that the integrity, impartiality or objectivity of that person is compromised by that relationship;

(ii) have had any relationship contemplated in subparagraph (i) within the immediately preceding two years; or

(iii) be related to a person who has or has had a relationship contemplated in subparagraph (i) or (ii).

[Sub-s. (2) Wafimanded by s. 70 (b) of Act No. 3 of 2011.]

(3) The person retained in terms of subsection (2) must prepare a report to the Board, and cause it to be distributed to all holders of the Company's securities, concerning the proposed arrangement, which must, at a minimum –

(a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;

(b) identify every type and class of holders of the Company's securities affected by the proposed arrangement;

(c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (*b*);

(d) evaluate any material adverse effects of the proposed arrangement against –

   (i) (the compensation that any of those persons will receive in terms of that arrangement; and

   (ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the Company;

(e) state any material interest of any Director of the Company or trustee for security holders;

   [Para. (e) substituted by s. 70 (c) of Act No. 3 of 2011.]

(f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (*e*); and

(g) include a copy of sections 115 and 164.

(4) Section 48 applies to a proposed arrangement contemplated in this section to the extent that the arrangement would result in any re-acquisition by a company of any of its previously issued securities.

[Sub-s. (4) inserted by s. 70 (d) of Act No. 3 of 2011.]"

THREE-YEAR HISTORICAL FINANCIAL INFORMATION OF WINHOLD

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Winhold for the financial years ended 30 September 2014, 2015 and 2016, have been extracted and compiled from the audited consolidated annual financial statements of Winhold. The preparation of this Annexure 2 is the responsibility of the Directors of Winhold.

The historical financial information of Winhold was audited by Mazars and was reported on without qualification for all of the aforementioned financial periods.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014 and 2015

		Group		Company	
	Notes	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Revenue	1	**1 222 304**	**1 099 159**	**–**	**–**
Cost of sales		(1 010 238)	(917 591)	–	–
Gross margin		**212 066**	**181 568**	**–**	**–**
Operating and administration expenses	1	(172 456)	(160 160)	12	69
Operating profit for the year	1	**39 610**	**21 408**	**12**	**69**
Investment income	1	4 207	7 389	8 179	13 080
Profit on disposal of property, plant and equipment	1	149	338	–	–
Financing costs paid	2	(8 641)	(17 746)	(2)	–
Financing income received	2	580	4 671	–	20
Share of after tax profit of associates	9	531	548	–	–
Profit before taxation and share profit of associates		**36 436**	**16 608**	**8 189**	**13 169**
Taxation	3	(5 301)	(4 207)	–	–
Profit after taxation		**31 135**	**12 401**	**8 189**	**13 169**
Profit for the year		31 135	12 401	8 189	13 169
Other comprehensive income					
Actuarial re-measurement on defined benefit pension fund	6	(27)	(641)	–	–
Total comprehensive income for the year		**31 108**	**11 760**	**8 189**	**13 169**
Profit attributable to equity holders of the parent		**27 402**	**14 354**	**–**	**–**
Profit attributable to non-controlling interest		**3 733**	**(1 953)**	**–**	**–**
Total profit for the year		**31 135**	**12 401**	**–**	**–**
Total comprehensive income attributable to non-controlling interests		**3 733**	**(1 953)**	**–**	**–**
Total comprehensive income attributable to equity holders of the parent		**27 375**	**13 713**	**8 189**	**13 169**
Total comprehensive income for the year		**31 108**	**11 760**	**8 189**	**13 169**
Basic and diluted earnings per share (cents)	4	**21,8**	**11,4**		

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

		Group			Company		
			Restated	Restated		Restated	Restated
		2015	2014	2013*	2015	2014	2013*
	Notes	**R’000**	**R’000**	**R’000**	**R’000**	**R’000**	**R’000**
ASSETS							
Non-current assets							
Property, plant and equipment	7	134 689	136 252	127 094	–	–	–
Goodwill	8	19 541	19 541	19 541	–	–	–
Investments in associates	9	3 223	2 973	2 671	124	124	124
Investment in subsidiaries	10	–	–	–	214 321	177 752	140 052
Loans to subsidiaries	10	–	–	–	16 111	13 885	7 720
Unlisted investments	11	3 871	60 365	83 622	–	34 074	64 714
Deferred taxation	3	22 560	16 954	16 192	–	–	–
Total non-current assets		183 884	236 085	249 120	230 556	225 835	212 610
Current assets							
Inventories	12	165 143	139 493	145 431	–	–	–
Trade and other receivables	13	207 029	183 869	137 771	70	8	15
Unlisted investments	11	34 303	31 120	28 664	34 303	31 120	28 664
Cash and cash equivalents	Pg 57	8 221	16 180	6 196	327	11	59
Assets held for disposal		–	–	1 039	–	–	–
Total current assets		414 696	370 662	319 101	34 700	31 139	28 738
Total assets		**598 580**	**606 747**	**568 221**	**265 256**	**256 974**	**241 348**
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital account	14	122 793	122 793	122 793	123 627	123 627	123 627
Retained earnings	Pg 55	175 802	148 400	134 046	99 799	91 610	78 441
Actuarial reserves	Pg 55	(1 767)	(1 740)	(1 099)	–	–	–
Attributable to shareholders of the Company	Pg 55	296 828	269 453	255 740	223 426	215 237	202 068
Attributable to non-controlling interests		8 615	4 882	6835	–	–	–
Total equity		305 443	274 335	262 575	223 426	215 237	202 068
Non-current liabilities							
Interest-bearing borrowings	15	22 995	55 819	100 518	–	–	–
Other liabilities	16	3 178	3 076	2 995	–	–	–
Deferred taxation	3	6 796	4 379	4 436	–	–	–
Total non-current liabilities		32 969	63 274	107 949	–	–	–

	Notes	Group 2015 R'000	Restated 2014 R'000	Restated 2013* R'000	Company 2015 R'000	Restated 2014 R'000	Restated 2013* R'000
Current liabilities							
Trade and other payables	17	206 110	211 584	151 125	1 095	1 169	1 207
Loans from subsidiaries	10	–	–		40 735	40 568	38 073
Short-term borrowings	15	41 083	57 131	45 994	–	–	–
Bank overdrafts	15	12 975	423	578	–	–	–
Total current liabilities		260 168	269 138	197 697	41 830	41 737	39 280
Total equity and liabilities		**598 580**	**606 747**	**568 221**	**265 256**	**256 974**	**241 348**

*A third statement has been presented as certain numbers have been reclassified, see Notes 10 and 17.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2015

		Group		Company	
	Notes	**2015 R'000**	**2014 R'000**	**2015 R'000**	**2014 R'000**
Stated capital	14				
Balance at beginning and end of the year					
– Gross		123 627	123 627	123 627	123 627
– Less treasury shares held		(834)	(834)	–	–
		122 793	122 793	123 627	123 627
Distributable reserves					
Retained earnings					
Attributable to equity holders of the parent					
Balance at beginning of the year		148 400	134 046	91 610	78 441
Profit for the year		27 402	14 354	8 189	13 169
		175 802	148 400	99 799	91 610
Attributable to non-controlling interest					
Balance at the beginning of the year					
Profit/(loss) and total comprehensive		4 882	6 835	–	–
Income attributable to non-controlling					
Interest		3 733	(1 953)	–	–
		8 615	4 882	–	–
Actuarial reserves					
Other comprehensive income					
Balance at beginning of the year		(1 740)	(1 099)	–	–
Actuarial re-measurement on defined benefit plan		(27)	(641)	–	–
		(1 767)	(1 740)	–	–
Balance at the end of the year		**305 443**	**274 335**	**223 426**	**215 237**

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

		Group		Company	
					Restated
	Notes	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Cash flow from operating activities					
Cash receipts from customers		1 199 144	1 053 221	–	–
Cash paid to suppliers and employees		(1 199 457)	(998 884)	–	–
Cash flow from operations	Pg 57	(313)	54 337	–	–
Finance costs paid	2	(6 114)	(10 209)	(2)	–
Finance income received	2	580	4 671	–	20
Dividends received	9	281	246	8 054	13 118
Taxation paid	Pg 57	(7 739)	(4 404)	–	–
		(13 305)	44 641	8 052	13 138
Dividends paid	Pg 57	–	–	–	–
Net cash flow from operating activities		**(13 305)**	**44 641**	**8 052**	**13 138**
Cash flow from investing activities					
Investment in property, plant and equipment	7	(13 638)	(22 750)	–	–
Proceeds on disposal of property, plant and equipment		893	1 314	–	–
Redemption of/(investment in) unlisted investments		53 311	20 801	(7 903)	15 681
Net cash flow from investing activities		**40 566**	**(635)**	**(7 903)**	**(15 681)**
Cash flow from financing activities					
Interest-bearing loans repaid		(48 872)	(33 562)	–	–
Long-term loans raised		–	–	167	2 495
Net cash flows from financing activities		**(48 872)**	**(33 562)**	**167**	**2 495**
Net increase/(decrease) in cash and cash equivalents		(21 611)	10 444	316	(48)
Cash and cash equivalents					
– At beginning of the year		15 757	5 618	11	59
– Effect of exchange rate changes on cash and cash equivalents		1 100	(305)	–	–
– At end of the year	Pg 57	**(4 754)**	**15 757**	**327**	**11**

Change from prior year

The Company statement of cash flows has been amended to correctly account for the dividends received separately as operating activities and not as part of cash flow from operations. This resulted in reclassification of R12 872 000 from cash flows from operations to dividend received in 2014.

NOTES TO THE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company Restated 2014 R'000
Reconciliation of net profit before tax to cash generated from operations					
Profit before tax	Pg 53	36 436	16 608	8 189	13 169
Adjustments					
Depreciation		14 457	12 616	–	–
Profit on sales of property, plant and equipment	1	(149)	(338)	–	–
Change in assets hold for disposal		–	1 039	–	–
Change in other liabilities		102	81	–	–
Foreign exchange loss/(profit)	1	(1 100)	305	–	–
Actuarial re-measurement		(27)	(641)		
Accrual for interest to be paid	2	(2 527)	(7 537)	–	–
Finance costs	2	8 641	17 746	2	–
Finance income	2	(580)	(4 671)	–	(20)
Share of associate income	9	(250)	(302)	–	–
Dividend received	9	(281)	(246)	(281)	(246)
		18 286	18 052	(279)	(266)
Changes in working capital					
Changes in inventories		(25 650)	5 938	–	–
Changes in trade and other receivables		(23 160)	(46 098)	(62)	7
Changes in trade and other payables		(6 225)	59 837	(75)	(38)
		(55 035)	19 677	(137)	(31)
A. Cash flow from operations		**(313)**	**54 337**	**7 773**	**12 872**
Reconciliation of taxation (paid)/received during the year					
Income statement charge		(5 301)	(4 207)	–	–
Adjustment for deferred taxation net of discontinued operations	3	(3 190)	(819)	–	–
Movement in taxation liability	17	752	622	–	–
B. Taxation paid		**(7 739)**	**(4 404)**	**–**	**–**
Reconciliation of dividends paid during the year					
Dividends paid to subsidiary minorities		–	–	–	–
C. Dividends paid		**–**	**–**	**–**	**–**
For purposes of the statement of cash flows, the year-end cash and cash equivalents comprised the following:					
Cash and cash equivalents	Pg 54	8 221	16 180	327	11
Bank overdraft	Pg 54	(12 975)	(423)	–	–
D. Cash and cash equivalents at the year-end	Pg 56	**(4 754)**	**15 757**	**327**	**11**

NOTES TO THE FINANCIAL STATEMENTS

1. OPERATING PROFIT FOR THE YEAR

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Operating profit is stated after taking into account the items detailed below:				
Revenue				
Sale of goods	1 203 101	1 009 212	–	–
Rental and service income	19 203	89 947	–	–
	1 222 304	**1 099 159**	**–**	**–**
Income				
Profit on disposal of fixed assets	149	338	–	–
Profit on sale of investment property	–	424	–	–
Investment income from preferential shares	4 207	7 389	8 179	13 080
Dividends received associates	–	–	281	246
Expenditure				
Auditor's remuneration	**2 417**	**1 810**	142	167
– Current year audit fees	2 417	2 350	142	167
– Adjustments for prior years	–	(602)	–	–
Other services	–	62	–	–
Depreciation of property, plant and equipment	**14 457**	**12 616**	**–**	**–**
– Plant and equipment	9 808	8 298	–	–
– Furniture, fittings and equipment	869	1 173	–	–
– Motor vehicles	3 101	2 620	–	–
– Capitalised leased assets	679	525	–	–
Inventory expenses for the year	**983 941**	**893 093**	–	–
Foreign exchange losses	1 855	428	–	–
Operating leases	**10 658**	**9 655**	**–**	**–**
– Minimum lease payments	10 753	9 693	–	–
– Sub-lease income	(95)	(38)	–	–
Management, technical and consultancy fees	2 063	816	8	–
listing costs (JSE)	837	997	369	507
Director's remuneration (*)	**6 079**	**5 223**	**–**	**–**
– Executive Directors	5 168	4 356	–	–
– Non-Executive Directors	911	867	–	–
Staff costs (See Note 6)				

(*) Full details of Directors' emoluments are set out in Note 24 (related parties) below.

2. NET FINANCING (COSTS)/INCOME

Continuing operations	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Finance costs paid – Interest-bearing debt (*)	(7 866)	(14 466)	–	–
Finance costs paid – Bank	(735)	(3 276)	(2)	–
Finance costs paid – Other	(40)	(4)	–	–
Less: Finance income received – Bank	580	4 671	–	20
	(8 061)	(13 075)	(2)	20

(*) Includes R2 527 000 (2014: R7 537 000) that will be paid after year-end.

No borrowing costs were capitalised during the year (2014: RNil)

3. TAXATION

	Note	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Deferred taxation liability					
Accelerated tax allowances		(14 910)	(13 783)		
Prepayments and provisions		2 617	1 907		
Tax loss carried forward		5 497	7 497		
		(6 796)	**(4 379)**		
Deferred taxation assets					
Tax losses carried forward		22 560	16 954		
Net deferred taxation		**15 764**	**12 575**		
Balance at 1 October		12 575	11 756		
Income statement credit		3 213	862		
Foreign tax rate difference (Swaziland)		(24)	(43)		
Balance at 30 September		**15 764**	**12 575**		
Deferred taxation assets (for assessed losses) not provided		4 072	11 695		
Income statement charge/(credit)					
SA normal tax – current year		8 491	4 299		
SA normal tax – prior year adjustment		–	664		
SA normal tax – capital gains		–	63		
Deferred taxation – current year		(3 190)	(494)		
Deferred taxation – prior year adjustment		–	(325)		
		5 301	**4 207**		
Taxation payable					
Taxation receivable on 1 October		876	254		
Taxation paid		(7 739)	(4 404)		
Current year charge		8 491	5 026		
Taxation payable on 30 September	17	**1 628**	**876**		

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Tax Rate Reconciliation				
Profit before tax	**36 436**	**16 608**	**8 189**	**13 169**
Tax at 28% (2014: 28%)	10 202	4 650	2 293	3 687
Income not subject to tax – Dividends and share of associate income	(1 500)	(3 421)	(2 290)	(3 829)
Expenses not deductible for tax	135	308		
Capital profit rate differences	–	(95)		
Foreign tax rate difference	(24)	(43)		
Tax losses (utilised)/not utilised	(3 512)	2 469	(3)	142
Prior periods normal tax adjustments	–	664		–
Prior periods deferred tax adjustments	–	(325)		–
Tax charge per income statement	**5 301**	**4 207**	**–**	**–**

Deferred income tax assets and liabilities are offset when the income taxes relate to the same fiscal authority and legal entity.

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 28% for South African operations and the relevant tax jurisdiction for non-South African operations. Material deferred income tax assets are recognised when the realisation of the related tax benefit is probable. The probable utilisation of the losses was based on budgeted and forecast results of subsidiary companies within three to five years depending on the stability of the business. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses where it is probable under current circumstances, that future taxable income will not be available to utilise these benefits in the foreseeable future.

Deferred tax liabilities have not been established for unrealised withholding taxes on such unremitted reserves which are considered to be permanently reinvested.

4. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

	Group 2015 R'000	Group 2014 R'000
Reconciliation of headline earnings		
Earnings for the year attributable to shareholders	27 375	13 713
Actuarial remeasurement	27	641
Profit on disposal of property plant and equipment	(149)	(762)
Taxation effect on disposal of fixed assets	30	182
Headline earnings	27 283	13 774
Weighted average shares	125 506	125 506
Earnings per share	21,8	11,4
Headline earnings per share (cents)	21,6	10,9

No diluted earnings per share figures are presented as there are no current obligations or commitments to issue shares in the future.

The calculation of headline earnings per ordinary share is based on the earnings attributable to ordinary shareholders after re-measurement items and non-controlling interest share and preference dividend but before capital items and impairments and a weighted average number of shares in issue during the year of 125 505 786 (2014: 125 505 786), after deducting Treasury stock of 709 345 (2014: 709 345) shares.

Headline earnings per share as detailed above is based on earnings adjusted for capital items together with net profit on sale of assets adjusted for any taxation effect thereon and any income attributable to non-controlling interests.

5. **DIVIDENDS**

Due to the improved results of the group, the Board declared a dividend of 7,0 cents (2014: 0 cents) per ordinary share on 24 of November 2015 for the year ended 30 September 2015. Payment will be made on 29 February 2016.

6. **EMPLOYEE COSTS**

	Group	
	2015 R'000	**2014 R'000**
Wages, salaries and reimbursed amounts	165 703	142 065
UIF and medical aid costs	5 999	4 994
Staff training costs	970	686
Total short-term portion	**172 672**	**148 404**
Termination benefits paid	**–**	**659**
Pension, provident fund contributions		
– Defined benefit current service cost	9 473	7 252
– Defined contribution	1 267	3 415
Total post-employment benefits	**10 740**	**10 667**
Total employee costs	**183 412**	**159 071**
The above costs have been included in either manufacturing or other operating expenses.		
ACTUARIAL GAIN/LOSS ON DEFINED BENEFIT PLAN		
Defined benefit pension cost		
Insured cost and expenses	(2 553)	(2 797)
Employee contributions	5 921	4 045
Additional employee contribution	8	8
Reinsurance recoveries	–	3 526
Transfer of other funds	350	654
Expected return on plan assets	18 325	14 957
Actual service cost	(14 797)	(14 425)
Interest cost	(16 700)	(12 579)
Current service cost	**(9 446)**	**(6 611)**
Employer contributions	9 473	7 252
Actuarial (loss)/gain on defined benefit plan	**27**	**641**
Other comprehensive income		
Actuarial re-measurement on defined benefit plan	(27)	(641)
Actuarial (loss)/gain for the year	(1 180)	(6 999)
Asset ceiling as a result of expected present value of future benefit adjustment	1 180	6 999
	(27)	**(641)**

7. PROPERTY, PLANT AND EQUIPMENT

Group 2015 R'000	Cost at 30 Sept 14	Additions for the year	Transfer	Disposals for the year	Cost at 30 Sept 15	Net book value 30 Sept 15
Land	3 912	–	–	–	3 912	3 912
Buildings	26 906	–	–	–	26 906	26 906
Plant and equipment	167 585	6 920	–	(923)	173 582	78 955
Furniture fittings and office Equipment	14 355	1069	–	(90)	15 334	350
Motor vehicles	25 582	5649	–	(2429)	28 802	13 207
Capitalised leased assets	20 181	–	–	–	20 181	10 466
Leasehold improvements	2 367	–	–	(7)	2 360	893
	260 888	**13 638**	**–**	**(3 449)**	**271 077**	**134 689**

Group 2014 R'000	Cost at 30 Sept 13	Additions for the year	Transfer	Disposals for the year	Cost at 30 Sept 14	Net book value 30 Sept 14
Land	3 912	–	–	–	3 912	3 912
Buildings	26 059	847	–	–	26 906	26 906
Plant and equipment	149 915	18 117	–	(447)	167 585	82 102
Furniture fittings and office equipment	13 441	1 921	–	(1 007)	14 355	158
Motor vehicles	25 315	1 854	–	(1 587)	25 582	11 129
Capitalised leased assets	20 171	10	–	–	20 181	11 145
Leasehold improvements	2 367	–	–	–	2 367	900
	241 180	**22 749**	**–**	**(3 041)**	**260 888**	**136 252**

Group 2015 R'000	Accumulated Depreciation 30 Sept 14	Charge for the year	Impairments	Transfer	Disposals for the year	Accumulated depreciation at 30 Sept 15
Land and buildings	–	–	–	–	–	–
Plant and equipment	85 483	9 808	–	–	(664)	94 627
Furniture fittings and office equipment	14 197	869	–	–	(82)	14 984
Motor vehicles	14 453	3 101	–	–	(1 959)	15 595
Capitalised leased assets	9 036	679	–	–	–	9 715
Leasehold improvements	1 467	–	–	–	–	1 467
	124 636	14 457	–	–	(2 705)	136 388

Group 2014 R'000	Accumulated Depreciation 30 Sept 13	Charge for the year	Impairments	Transfer	Disposals for the year	Accumulated depreciation at 30 Sept 14
Land and buildings	–	–	–	–	–	–
Plant and equipment	77 545	8 298	–	–	(360)	85 483
Furniture fittings and office equipment	13 433	1 173	–	–	(409)	14 197
Motor vehicles	13 130	2 620	–	–	(1 297)	14 453
Capitalised leased assets	8 511	525	–	–	–	9 036
Leasehold improvements	1 467	–	–	–	–	1 467
	114 086	12 616	–	–	(2 066)	124 636

Certain property, plant and equipment with a net book value of R70,0 million (2014: R52,4 million) are encumbered as set out in Note 15. A register of properties is open for inspection at the registered office of the Company.

All disposals are made in the ordinary course of business.

8. GOODWILL*

Goodwill cost/net book value R'000	Cost at 30 Sept 15	Net book value 30 Sept 15	Cost at 30 Sept 14	Net book value 30 Sept 14
Conway Johnson Rustenburg (Mining)	8 162	8 162	8 162	8 162
Other Inmins Mining branches	2 746	1 190	2 746	1 190
Inmins Industrial branches	15 189	10 189	15 189	10 189
	26 097	19 541	26 097	19 541

Goodwill Impairment R'000	Impairment as at 30 Sept 2014	Impairment in 2015	Impairment as at 30 Sept 2015
Inmins Mining branches	1 556	–	1 556
Inmins Industrial branches	5 000	–	5 000
	6 556	–	6 556

Goodwill – The goodwill arose as a result of the acquisition of the non-controlling interest of Inmins Limited in 2002 and was allocated to eight individual branches, being the highest cash-generating units (CGU's) according to their performance at the time. This goodwill represents the CGU's ability to generate "above benchmark" future cash flows as a result of the quality of the workforce acquired, possible future synergies and customer and supplier relationships.

*The goodwill has been restated to remove the fully impaired goodwill on the CGUs that no longer exist within the group amounting to R4 795 000. This does not impact the financial position or performance of the group.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the Group's accounting policies. These calculations require the use of estimates. The carrying value of goodwill of a CGU is determined based on 'value-in-use' calculations. The estimated future sustainable cash flow of the CGU is discounted at a pre-tax rate of 16.05% (R207 Government bond plus a market premium adjusted for tax) with due cognisance for specific known unusual trading conditions believed not to be sustainable and once-off items The estimated sustainable cash flows were based on the weighted average normalised earnings for the current and preceding financial years and the budgeted results for the next financial year as assessed by the operational management. If the risk free rate (R207) or the market premium were to have increased by 2%, a R1,1 million impairment would have been required.

9. INVESTMENTS AND LOANS IN ASSOCIATES

2015 R'000	Zenzele 1	Zenzele 2	Total
Beginning of the year	2 442	531	2973
Equity income	256	(6)	250
Share of after tax profits	508	23	531
Dividends received	(252)	(29)	(281)
End of the year	2 698	525	3 223
Directors' valuation	2 700	525	3 225

2014 R'000	Zenzele 1	Zenzele 2	Total
Beginning of the year	2 127	544	2 671
Equity income	315	(13)	302
Share of after tax profits	504	44	548
Dividends received	(189)	(57)	(246)
End of the year	2 442	531	2 973
Directors' valuation	2 450	535	2 985

Zenzele 1 – Zenzele Industrial Supplies Proprietary Limited: 34% shareholding (KwaZulu-Natal)

Zenzele 2 – Zenzele Industrial Supplies (Mpumalanga) Proprietary Limited: 39% shareholding

Both Companies activities are that of industrial supplies and aren't strategic for the group.

Transactions with associated companies are disclosed in note 23 (related parties).

Loans to the associates R121 000 (2014: R121 000) are unsecured, interest-free and have no fixed terms of repayment. The loans are considered to be part of the investment in the associates as they were issued to help fund the start-up of the companies and are not expected to be repaid in the near future.

SUMMARISED INFORMATION OF ASSOCIATES

2015 R'000	Zenzele 1	Zenzele 2	Total
Revenue	15 755	7 724	23 479
Total comprehensive income	2 158	54	2 212
Profit after tax	1 491	37	1 528
Retained income for year	752	(15)	737
Non-current assets	39	76	115
Deferred taxation	(71)	13	(58)
Current assets	11 770	1 783	13 553
Current liabilities	(3 988)	(559)	(4 547)
	7 750	1 313	9 063
Shareholders' funds	7 750	1 313	9 063
Non-current liabilities	–	–	–
	7 750	1 313	9 063

2014 R'000	Zenzele 1	Zenzele 2	Total
Revenue	14 290	19 571	33 861
Total comprehensive income	2 058	156	2 214
Profit after tax	1 482	112	1 594
Retained income for year	6 888	1 196	8 084
Non-current assets	166	121	287
Deferred taxation	(41)	13	(28)
Current assets	10 946	7 296	18 242
Current liabilities	(4 182)	(6 188)	(10 370)
	6 889	1 242	8 131
Shareholders' funds	6 889	1 197	8 086
Non-current liabilities	–	45	45
	6 889	1 242	8 131

Investment in associates carrying value reconciliation 2015 R'000	Zenzele 1	Zenzele 2	Total
Shareholders' funds	7 750	1 313	9 063
Percentage shareholding	34%	39%	
Share of shareholders' funds	2 635	512	3 147
Loans to associates	69	52	121
	2 704	562	3 266
Carrying value of investment	2 698	525	3 223

10. **INVESTMENT IN SUBSIDIARIES**

SUMMARISED INFORMATION OF SUBSIDIARIES

2015 **R'000**	**Gundle**	**Inmins**	**Total**
Revenue	920 684	302 884	1 223 568
Other comprehensive income	96	39	135
Total comprehensive income	22 080	4 872	26 952
Profit after tax	19 298	3 691	22 989
Retained income for year	15 565	–	15 565
Non-current assets	126 193	73 947	200 140
Deferred taxation	9 779	4 221	14 000
Current assets	302 304	80 665	382 969
Current liabilities	(194 611)	(53 860)	(248 471)
	243 665	104 973	348 638
Shareholders' funds	163 897	104 484	268 381
Non-current liabilities	79 768	489	80 257
	243 665	104 973	348 638

2014 **R'000**	**Gundle**	**Inmins**	**Total**
Revenue	797 665	308 795	1 106 460
Other comprehensive income	–	179	179
Total comprehensive income	(5 841)	7 804	1 963
Profit after tax	(5 816)	5447	(369)
Retained income for year	(3 928)	2	(3 926)
Non-current assets	127 533	57 500	185 033
Deferred taxation	22 268	5 175	27 443
Current assets	259 275	88 584	347 859
Current liabilities	(221 322)	(47 634)	(268 956)
	187 754	103 625	291 379
Shareholders' funds	122 127	90 387	212 514
Non-current liabilities	65 627	13 238	78 865
	187 754	103 625	291 379

	Issued Share capital		Shares at cost		Amounts owing (by)/to subsidiaries	
	2015	2014	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Held by Company						
Inmins Properties	4 000	4 000	4	4	(7 164)	(7 164)
Inmins Trading (74,9%)	1 000	1 000	19 540	19 540	11 853	8 851
Inmins Trading Prefs			83 297	69 200		
Gundle Properties	2 800	2 800	1 505	1 505	(3 624)	(3 624)
Gundle Plastic Group (74,9%)	1 000	1 000	1	1	11 894	12 670
Gundle Plastics Group Prefs			109 972	87 500		
Gundle Woven	120	120	–	–		
Secotrade 5	1	1	2	2		
Swazi Plastics Ind.#	600	600	974	974	(20 000)	(20 000)
Winhold Management Company	5 000	5 000		–	(9 947)	(9 781)
Inmins Limited				–		–
Gundle Limited				–		–
Total all Subsidiaries			215 295	178 726		
Impairment provisions			(974)	(974)		
			214 321	177 752		
Held by Subsidiaries						
Gundle GeoSynthetics	100	100	17	17		
Gundle Multi-Sack	100	100	2 161	2 161		
Plastics International Limited#	100	100				
Novara Profile Extrusion	1000	1 000			24 002	24 002
T&E Lined Steel Pipe	100	100				
Inmins Properties						
Inmins Trading (74,9%)						
Gundle Properties						
Gundle Plastic Group (74,9%)						
Gundle Woven						
Total all Subsidiaries					7 014	4 954
Impairment provisions					(31 638)	(31 638)
					(24 624)	(26 684)

Interest in subsidiaries

Impairment R'000	Impairment as at 30 Sept 2014	Impairment in 2015	Impairment as at 30 Sept 2015
Gundle Woven Proprietary Limited	7 636	–	7 636
Novara Profile Extrusions Proprietary Limited	24 002	–	24 002
	31 638	–	31 638

Unless otherwise stated all companies above are unlisted, Proprietary Limiteds and 100% held and are all South African-based.

 # Incorporated in Swaziland

Only details of those subsidiaries which are material in terms of the financial position or results of the Company are disclosed. Dormant companies are excluded. Full details of all companies in the group may be obtained at the registered office.

Loans to subsidiaries are unsecured, interest-free and have no fixed repayment terms. Loans from subsidiaries are interest-free and have no fixed repayment terms.

Restatement:

The loans to subsidiaries have been reclassified to non-current assets as they are not expected to be realized within the next financial year. This has resulted in an amount of R13 885 000 being reclassified from current assets changing to R225 835 000 in 2014 (2013: R212 610 000), and current assets to R319 139 000 (2013: R28 738 000).

The carrying amount of the amounts owing to/by subsidiaries approximate fair value based on the favourable net asset value of the respective subsidiaries as determined by the Directors.

11. UNLISTED INVESTMENTS

	Group		Company	
	2015 R'000	**2014 R'000**	**2015 R'000**	**2014 R'000**
Preference shares – HY Investments	34 303	65 194	34 303	65 194
Sinking fund deposit	3 871	26 291	–	–
	38 174	91 485	34 303	65 194
Less short-term portion	(34 303)	(31 120)	(34 303)	(31 120)
	3 871	60 365	–	34 074

The compulsory redeemable **preference shares** ("Prefs") have no dividend expectations and have been discounted by R0,7 million (2013: R4,7 million) to realise an effective yield of 9,6% per annum, secured by designated notes issued by the Standard Bank of South Africa Limited. These preference shares are redeemable over periods from 2012 to 2016, see Note 22.3 for repayment terms. These Prefs can be "called" if the subsidiaries commit an act of insolvency, encumber or try to sell the whole or a substantial part of its assets or there is a material adverse change (in the opinion of the lender's auditors). Break fees also apply on a sliding scale from R152 000 (2014: R296 000) at year-end to Rnil in September 2016. The **sinking fund** deposits are pledged as security for loans granted by a financial institution to operating subsidiaries. The sinking fund deposit has also been pledged to secure fixed asset funding loans. Directors' valuation of these investments is R38 million (2014: R91 million). The carrying value of these unlisted investments approximates their fair value as they earn or have been discounted to yield a market-related return and is based on the value of the underlying investments that Liberty Life has invested in. The preference shares value is based on the original amount invested less the amounts redeemed over the previous financial periods

The credit quality of these investments is expected to be good as the investment in preference shares is with a company of good financial standing and the sinking fund has historically outperformed management's expectations

12. INVENTORIES

Group	**2015 R'000**	**2014 R'000**
Inventories comprise:		
Raw materials and components	35 898	27 578
Work in progress	2 988	3 043
Finished goods and merchandise	126 257	108 872
	165 143	139 493

Impairment reconciliation	Opening balance R'000	Additional provision R'000	Utilised during the year R'000	Closing balance R'000
2015				
Impairment for finished goods	8 133	3 958	(748)	11 343
2014				
Impairment for finished goods	9 705	452	(2 024)	8 133

Finished goods include an impairment provision of R11 343 000 (2014: R8 133 000) for inventory that has been impaired.

Impairment provisions are calculated in terms of specific formulas. Inmins provides for stock based on the date of purchase, 10% if purchased 12 to 24 months ago, 30% if purchased 25 – 36 months ago, 60% if purchased 37 to 48 months ago and 100% if older than 48 months. Gundle provides 80% of all inventory older than six months unless the Line Director and group CFO agree that the item will realise more than this in the next 12 months.

13. TRADE AND OTHER RECEIVABLES

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Trade receivables	198 815	174 302	–	–
Deposits and advances	880	1 084	–	–
Rebates	202	223	–	–
Value Added Tax	3 179	5 664	57	8
Other	3 953	2 596	13	–
	207 029	**183 869**	**70**	**8**

The table below illustrates the age analysis of trade receivables, impairment provision and net trade receivables due and past due and not provided for:

Group	2015 Gross trade receivables R'000	2015 Provision for impairment R'000	2015 Net trade receivables R'000	2014 Gross trade receivables R'000	2014 Provision for impairment R'000	2014 Net trade receivables R'000
Current	106 724		106 724	100 873	–	100 873
30 days	46 960	(281)	46 679	57 377	(573)	56 804
60 days	38 713	(743)	37 970	7 731	(645)	7 086
90 days	8 638	(1 522)	7 116	8 129	(587)	7 542
120 days and over	1 205	(879)	326	3 616	(1 619)	1 997
Total	**202 240**	**(3 425)**	**198 815**	**177 726**	**(3 424)**	**174 302**

The table below reconciles the movement in the provisions for impairment of trade receivables.

	2015 R'000	2014 R'000
Balance at beginning of year	3 424	4 537
Provision for impairment	1 044	568
Amounts written off as uncollectable	(1043)	(1 681)
Balance at end of year	**3 425**	**3 424**

All receivables on which an impairment is recognised have been fully provided for.

- **Credit quality of trade and other receivables**

  The credit quality is assessed by reference to external credit ratings (if available) or to historical information.

  The group does not hold collateral security against any trade receivables. Debtors amounting to R80,4 million (2014: R65,3 million) are covered by CGIC credit insurance where the group has a 20-25% co-insurance exposure, refer to Note 22.2 for further detail on Credit Risk.

- **Trade receivables past due and not impaired**

  Normal credit terms extended from 30 to 60 days. Trade receivables which exceed 60 days are considered past due. Those considered impaired have been provided as detailed in the table above. Impairment is based on management's discussions with the debtor concerned and information from credit bureaus.

- **Fair value of trade receivables**

  The fair value of trade receivables approximates their carrying value due to their current nature.

- **Cession of book debt as security for bank overdraft facilities**

  Receivables amounting to R199 million (2014: R170 million) have been ceded as security for banking facilities. At year-end the utilisation of the bank facilities amounted to R32,9 million (2014: R41,0 million), after the set-off of positive bank balances of R8,2 million (2014: R16,1 million).

- **Exposure to major customers**

  The group exposure to major customers is limited to large cement (flexible packaging segment), consortium and engineering (both relates to flexible building segment) groups and the largest three exposures at the year-end were R28,0 million. (2014: R2,8 million). Refer to Note 24.2 for analysis of these exposures.

- **Currency denomination**

  There are no material individual receivables denominated in foreign currency. Refer to Note 22.5 for analysis of exposure to foreign debtors.

14. STATED CAPITAL ACCOUNT

	Group		Company	
	2015 R'000	**2014 R'000**	**2015 R'000**	**2014 R'000**
Authorised share capital				
Ordinary				
202 847 596 (2013: 202 847 596) ordinary shares of no par value				
Preference				
75 000 (2013: 75 000) 5% redeemable cumulative preference shares of R2 each	150	150	150	150
4 288 101 (2013: 4 288 101) variable rate redeemable cumulative preference shares of 1 cent each	43	43	43	43
Issued ordinary share capital				
126 215 131 (2013: 126 215 131) ordinary shares of no par value in issue at year-end	123 627	123 627	123 627	123 627
Less: Adjustments for 709 345 shares held by the group	(834)	(834)	–	–
Stated capital account	122 793	122 793	123 627	123 627

There are no current commitments to issue normal or preferential shares at a future date.

The unissued ordinary shares are under the control of the Directors subject to the provisions of the Companies Act, until the forthcoming Annual General Meeting. Members will be asked at the forthcoming Annual General Meeting to pass a general resolution to place the unissued shares under the control of the Directors.

A subsidiary Company owns 709 345 (2014: 709 345) of the Company's ordinary shares as treasury shares. There is no intention at this time to cancel these shares.

Shareholders have one vote per share owned.

15. INTEREST-BEARING BORROWINGS

		Group		Company	
		2015 R'000	**2014 R'000**	**2015 R'000**	**2014 R'000**
Non-current borrowings					
Fixed interest rates					
Long-term bank loans		–	31 429		
		–	31 429		
Variable interest rates					
Mortgage bonds		6 767	8 690		
Instalment sales agreements		16 228	15 700		
		22 995	24 390		
Total non-current		**22 995**	**55 819**		
Current					
Fixed interest rates					
Current portion of long-term bank loans		31 264	29 114		
		31 264	29 114		
Variable interest rates					
Current portion of:	Mortgage bonds	1 797	1 010		
	Instalment sales agreement	8 022	27 007		
Short-term portion long-term debt		**41 083**	**57 131**		
Bank overdraft		12 975	423		
Total short-term borrowings		54 058	57 554		
Total interest-bearing borrowings		**77 052**	**113 373**		

The borrowings disclosed above include secured liabilities as follows:

- The long-term bank loans, bear interest at a fixed rate of 10,55% per annum, are secured by unlisted held-to-maturity investments and are repayable in increasing annual instalments until February 2016. Further details of the repayment profile are set out below and in the "liquidity risk" note (Note 22.3). Refer also to the note on Investments (Note 11). The amount paid in 2015 was R28,9 million (2014: R26,8 million).
- Mortgage bonds are secured by land and buildings with a book value of R20,4 million (2014: R20,4 million), bear interest at rates linked within 1% of prime and are repayable in monthly instalments of R149 750 (2014: R145 000).
- Instalment sales agreements are secured by plant, equipment and vehicles with a book value of R49,6 million (2014: R45,9 million), bear interest at rates generally linked within 1% of prime, and are repayable in monthly instalments of R957 000 (2014: R674 000), inclusive of interest.
- Bank overdrafts are "call facilities" and bear interest linked to prime overdraft rates. The terms, conditions and securities are set out in Note 22.3

The carrying value of all borrowings approximate their fair values as all borrowings bear interest at market-related rates. In terms of the memorandum of incorporation the borrowing powers of the Directors are unlimited.

The capital portion of the interest-bearing borrowings is repayable as follows:

	Group	
	2015 R'000	**2014 R'000**
Banking facilities (demand)	12 975	423
Between 1 and 12 months	41 083	57 130
Between 1 and 2 years	13 946	37 774
Between 2 and 5 years	7 671	13 859
Over 5 years	1 377	4 187
	77 052	**113 373**

16. **OTHER LIABILITIES**

	Group	
	2015 R'000	**2014 R'000**
Post-retirement medical aid obligations	1 452	1 556
Swazi Retrenchment provision	1 726	1 520
	3 178	3 076

Post-retirement medical aid obligations represent the present value of amounts payable to three pensioners and their dependents as a result of a past business acquisition. Where employees do exist with post-retirement medical aid benefits these are identified and actuarially valued on a regular basis. Liabilities based on these evaluations are recognised in the statement of financial position and are not funded. Expenses relating to employee services rendered during the subsequent periods are expensed in the statement of comprehensive income and the statement of financial position liabilities are increased correspondingly. Due to the application of the group policy (not to provide such post-retirement medical aid benefits), attrition of time will eventually expunge the liabilities for such benefits. Current group policy is not to provide post-retirement medical aid benefits, except in limited cases where a group of employees with such conditions of employment exist in new businesses acquired. In future acquisitions where post-retirement medical aid benefits exist, adequate provision will be made for the existing liability in the transaction. In such cases new employees in the relevant operations will not be employed with such post-retirement medical aid benefits.

The law of Swaziland requires that the Company pay out a statutory minimum retrenchment when a business is sold, closed, or an employee is retrenched or retires, and this local law requires the Company to provide for these retrenchments.

17. **TRADE AND OTHER PAYABLES**

	Group		Company	
	2015 R'000	**2014 R'000**	**2015 R'000**	**2014 R'000**
Trade payables and accounts	155 282	162 037		–
Accrued bonuses	8 071	5 796		–
Accrued leave pay	9 350	9 024		–
Rebates payable	1 392	1 242		–
Value added tax	1 816	3 784		–
Taxation payable	1 628	876		–
Accrued operating and other expenses	18 206	19 765		–
PAYE, SDL and other remuneration provisions	10 365	9 059	1 094	1 169
	206 110	**211 584**	**1 094**	**1 169**

Trade payables are payable within normal credit terms of 30 to 60 days.

Restatement

Previously recognised provisions for audit and other expenses have been reclassified to be included in trade and other payables in order to more accurately reflect the nature of these as accruals they are. This resulted in a reclassification of R2 916 000 from provisions in 2014 trade and other payables (2013: R3 227 000) for group and R191 000 (2013: R212 000) for Company. There was no other impact on the statement of financial position except the change in trade and other payables balance as reflected in the note above.

18. **PENSION FUND**

The group provides retirement benefits through pension and/or provident funds. Post-retirement benefits for permanent employees are provided as follows: 34% (2014: 34%) of group employees are members of the Winhold Group Pension Fund and remaining employees belong to statutory or union retirement plans being the Industrial Council Pension/Provident Funds or the Chemical Industries National Provident Fund. In respect of employees the group has no further material liability after payment of the required contributions to these funds. The Winhold Group Pension Fund is a defined benefit plan guaranteeing a payment of 2% of the highest average salary over three years for every year of service provided by the member. The fund is subject to the Pension Fund Act. The assets of the fund are held separately from the group's assets in a dedicated trustee-administered fund which is valued by independent, professionally qualified actuaries. The Company policy is to pay over employer contributions to the fund monthly in line with the actuaries funding recommendations. The Trustees of the Pension fund have invested these funds with portfolio managers who actively invest in marketable securities.

Other benefits of the pension fund are as follows:

Disability benefit – 75% of the monthly pensionable salary

Pre-retirement death benefit – cash lump sum of two times annual pensionable salary, a spouse's pension equal to 50% of the pension earned had the person retired at the date of death and a children's pension equal to 16,67% of the pension earned had the person retired at the date of death.

For members without dependents a cash lump sum of one times annual pensionable salary and a refund of contributions with interest.

The IAS 19 valuation done by the actuaries for the year ended 30 September 2015 reflects the following:

	2015	2014	2013	2012	2011
Actuarial assumptions used					
Discount rate per annum	8,90%	8,70%	7,92%	7,41%	8,60%
Expected return on plan assets per annum (Based on R186 Government bond)	8,90%	8,70%	7,92%	7,41%	8,60%
Future salary increases (varies, age related)	7,40% – 9,00%	7,90% – 15,00%	6,29% – 15,00%	6,13% – 14,88%	6,15% – 14,9%
Future pension increases per annum	4,10%	3,50%	2,22%	1,71%	2,74%
Consumer price inflation rate	6,40%	6,90%	6,29%	6,13%	6,15%
Membership					
Active members					
• Number	301	295	306	324	306
• Average age in years	46,8	47,9	48,7	48,1	48,3
Total annual pensionable salaries (R'000)	**65 394**	**63 249**	**61 424**	**62 398**	**56 825**
Beneficiaries of pensions					
• Number (*)	104	97	103	95	94
• Average age in years	63,4	66,0	65,8	67,5	66,4
Total annual pensions (R'000)	**4 063**	**3 551**	**3 313**	**3 099**	**2 754**

(*) The total number of pension beneficiaries includes spouses and children which reduces the average age by 10,3 years (2014: 7,4 years).

	2015	2014	2013	2012	2011
Defined benefit retirement plan reconciliation					
Present value of obligations	(204 013)	(191 951)	(158 830)	(146 084)	(118 139)
Fair value of plan assets	225 593	214 684	190 748	151 098	133 597
Application of asset ceiling	(21 580)	(22 733)	(31 918)	(5 014)	(15 458)
Surplus value of the plan	–	–	–	–	–
Actuarial (gain)/loss on return on plan assets	(861)	(13 577)	(22 473)	(14 091)	2 711
Actuarial (gain)/loss on pension obligations	(4 857)	(9 988)	852	18 307	(2 026)
Change in valuation assumptions	6 898	30 564			
Adjustment experience gain on contingency reserve	–	–	–	–	–
Actuarial loss/(gain) for the year	**1 180**	**6 999**	**(21 621)**	**4 126**	**685**
Employers' best estimate of next year contribution	9 473	7 900	7 900	7 900	8 000
Movement in assets and liabilities for the year					
Fair value off assets beginning year	214 684	190 748	151 099	133 597	121 970
Opening balance correction	–	699	4 684	–	–
Employer contributions	9 473	7 252	7 713	7 650	6 475
Employee contributions	5 929	4 045	4 317	4 281	3 624
Benefits paid, insured costs, expenses	(23 678)	(16 594)	(11 082)	(20 010)	(5 723)
Actual return fund assets	19 186	28 534	34 017	25 581	7 251
Net assets end of year	225 594	214 684	190 748	151 099	133 597
Accrued Benefit obligation					
Beginning of year	191 951	158 830	146 084	118 139	105 868
Opening balance correction	–	–	(1 289)	–	–
Current service cost	14 797	14 425	10 255	8 427	6 975
Interest cost	16 700	12 579	10 684	10 089	8 441
Growth in TVCs	–	–	–	1 243	6 047
Benefits paid	(21 476)	(14 459)	(7 756)	(10 121)	(7 166)
Actuarial loss/(gain)	(4 857)	(9 988)	852	18 307	(2 026)
Change in valuation basis	6 898	30 564	–	–	–
Balance end of year	**204 013**	**191 951**	**158 830**	**146 084**	**118 139**

Asset ceiling	**2015 R'000**	**2014 R'000**
Effects of asset ceiling at start of year	22 733	31 918
Interest cost	1 978	2 528
Change in effect of asset ceiling	(3 131)	(11 713)
Effects of assets ceiling at end of year	**21 580**	**22 733**

The fund is fully funded. The fund was last fully actuarially valued by Simeka Consultants and Actuaries on the 1 October 2014 using an IFRS assesment. They concluded that the fund was 110% (2011: 100%) funded and recommended a solvency reserve of R28,4 million and a data reserve of R1,0 million.

The IAS 19 actuarial (gain)/loss on return on plan assets were calculated as the difference between the actual net investment return and the assumed investment return. During the valuation period, the investment gain was R19 186 000, (2014: R28 534 000) compared to the assumed investment return of

R18 325 000 (2014: R14 957 000). The R4 857 000 actuarial gain (2014: R9 988 000 gain) on pension obligations is the effect of the change in actuarial valuation assumptions over the previous IAS 19 valuation report. During the year, the actuary reviewed the underlying actuarial/assumptions used in the past few years and concluded that they were "aggressive" and has advised that the trustees consider correcting these. This resulted in a R6 898 000 reduction in the solvency reserve. The combination of these resulted in a net actuarial loss of R1 180 000 (2014: R6 999 000) which has been taken into consideration in the determination of the surplus value of the plan at 30 September 2015.

Refer to Note 6 (Employee benefits) for income statement recognition of the calculation of current service cost for members of the defined benefit pension fund, including the actuarial gain/loss.

Analysis of the actuarial value assets making up the fund investments	**2015 R'000**	**2014 R'000**	**2013 R'000**	**2012 R'000**	**2011 R'000**
Cash and cash equivalents	34 607	15 400	16 136	14 589	12 472
Equity securities	113 506	93 663	111 741	90 614	81 027
Bonds	36 406	35 864	65 105	52 725	28 239
Property	19 923	3 605	2 136	1 704	–
Fund of hedge funds/ other	22 229	70 316	300	–	13 828
(Less) benefits payable	(1 077)	(4 164)	(4 670)	(8 534)	(1 969)
Fair value of plan assets	**225 594**	**214 684**	**190 748**	**151 098**	**133 597**

Regulation 28 of the Pensions Fund Act (1956 as amended) regulates the maximum allocation of assets to any asset category. The Pensions Fund is in compliance with this regulation.

19. COMMITMENTS AND CONTINGENT LIABILITIES

Operating lease commitments comprise mainly property rentals of the Inmins branches and rentals of photocopiers, faxes and office equipment. No material lease restrictions have been agreed to and no contingent lease obligations exist. The company and group complies with the contractual obligations regarding terms and conditions of the rental company. Escalations vary between 0 to 10 percent.

	Group	
	2015 R'000	**2014 R'000**
1 to 12 months	10 960	6 662
Between 1 and 2 years	10 576	6 738
Between 2 and 5 years	6 740	5 005
Greater than 5 years	–	–
Total operating lease commitments	28 277	18 405

Contingent liabilities and other commitments

Group capital commitments at year-end amounted to R666 630 (2014: RNil) (Plant and equipment for existing operations).

20. SEGMENTAL INFORMATION

Business segments R'000	Flexible packaging 2015	Flexible packaging 2014	Flexible construction 2015	Flexible construction 2014	Trading 2015	Trading 2014	Property and group 2015	Property and group 2014	Total 2015	Total 2014
Revenue	319 817	330 035	349 984	231 172	552 461	537 911	42	41	1 222 304	1 099 159
Inter-segment	159 183	140 887	99 199	77 557	15 671	15 303	(274 053	(233 747)	–	–
	479 000	470 922	449 183	308 729	568 132	553 214	(274 011)	(233 706)	1 222 304	1 099 159
Investment income	–	–	–	–	–	–	4 207	7 727	4 207	7 727
Depreciation	7 367	6 756	5 003	3 701	1 837	1 868	250	291	14 457	12 616
Interest expenses	12 907	10 935	5 634	4 564	4 622	2 989	(14 522)	(742)	8 641	17 746
Foreign exchange variance	–	–	1 855	428	–	–	–	–	1 855	428
Income tax expenses	(6 650)	(4 981)	5 193	1 612	2 131	2 842	4 627	4 734	5 301	4 207
Profit before tax	(14 222)	(13 288)	31 471	10 777	15 206	14 736	3 450	3 835	35 090	16 060
Capital expenditure	2 653	10 888	9 018	9 308	1 913	620	54	938	13 630	21 754
Total assets	258 912	262 950	179 728	171 751	166 982	166 584	(7 042)	5 462	598 580	606 747
Total liabilities	123 866	135 279	97 293	140 587	113 094	95 073	(41 676)	(38 527)	293 137	332 412

The business segments of the Winhold Group are split as follows, based on the nature of the market being serviced and, therefore the risks associated with the business segment:

Flexible packaging – consists of manufacture of extruded flexible commercial and industrial packaging products manufactured at the Germiston and Swaziland sites such as polyethylene bags, sheeting and pallet stabilization products for chemical, food, processing, industrial customers.

Flexible construction – consists of manufacturers of extruded flexible sheeting for agricultural and construction markets manufactured at the Springs site, including dam lining installation.

Trading – consists of the trading branches of Inmins (Mining and Industrial divisions) and the Gundle trading branches who sell own factory and bought out products.

Property and group – Includes the property companies and group related items

Geographical analysis has not been included as the group's activities outside Southern Africa are not material. No material intersegment transactions occurred between reportable segments.

21. **FINANCIAL INSTRUMENTS**

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing these risks or the methods used to measure them from the prior period. The accounting policies for financial instruments have been applied to the line items below:

Financial instrument assets

Group R'000	**Loans and receivables**	**Fair value through profit and loss**	**Held to maturity**	**Total**
2015				
Investments	–	3 871	34 303	38 174
Trade and other receivables	199 695	–	–	199 695
Cash and cash equivalents	8 221	–	–	8 221
Forward exchange assets	–	680	–	680
	207 916	**4 551**	**34 303**	**246 770**
2014				
Investments	–	26 291	65 194	91 485
Trade and other receivables	175 385	–	–	175 385
Cash and cash equivalents	16 180	–	–	16 180
	191 565	**26 291**	**65 194**	**283 050**

Company R'000	**Loans and receivables**	**Held to maturity**	**Total**
2015			
Investments	–	34 303	34 303
Cash and cash equivalents	327	–	327
Loans to subsidiaries	16 111	–	16 111
	16 438	**34 303**	**50 741**
2014			
Investments	–	65 194	65 194
Cash and cash equivalents	11	–	11
Loans to subsidiaries	13 885	–	13 885
	13 896	**65 194**	**79 090**

Financial instrument liabilities

Group R'000	Liabilities at amortised cost
2015	
Interest-bearing borrowings (excluding bank overdraft)	64 078
Trade and other payables	155 282
Bank overdraft	12 975
	232 335
2014	
Interest-bearing borrowings (excluding bank overdraft)	112 950
Trade and other payables	162 037
Bank overdraft	423
	275 410

Company R'000	Liabilities at amortised cost
2015	
Loans to subsidiaries	40 735
	41 687
2014	
Loans to subsidiaries	40 568
	41 546

Fair value

There is no material difference between the carrying value and the fair value of financial instruments. The fair value of trade payables, trade receivables cash and cash equivalents and bank overdrafts approximate fair value due to their short-term nature. The fair value of the other above assets and liabilities not at fair value through profit and loss all fall within category 3 "not based on observable market data", with investments at fair value through profit and loss falling within level 1 of the fair value hierarchy (refer to Note 11).

22. RISK MANAGEMENT

The group's activities expose it to a variety of risks, including interest risk, credit risk, liquidity risk, foreign exchange risk and supplier risk.

22.1 Credit risk

Credit risk arises on amounts receivable from trade and other receivables, investments, and cash equivalents deposited with banks. Credit facilities are given to a large number of customers, resulting in a spread of credit risk. Although in the Inmins Trading Proprietary Limited subsidiary the majority of debtors are in the mining industry, management is of the opinion that no material concentration of risk exists. Management evaluates credit risk relating to customers on an ongoing basis, and if customers are independently rated, these ratings are used. If there is no independent rating, group businesses assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit is regularly monitored, and, in certain cases, credit guarantee policies are purchased.

Exposure to three largest customers	Sales to customer 2015 R'000	2014 R'000	Outstanding at 2015 R'000	2014 R'000
Engineering group[1]	13 078	–	12 632	–
Cement group[1]	25 539	5 387	8 221	1 603
Consortium group[1]	25 926	1 050	7 142	1 197
Total	**64 543**	**6 437**	**27 995**	**2 800**

The group only deposits funds with major banks with high-quality credit standing and limits its exposure to any one bank. Investments comprise compulsory redeemable preference shares secured by designated notes issued by the Standard Bank of South Africa Limited and is considered by management to be linked to the bank risk rate. (Refer to Note 11). Financial assets exposed to credit risk at year-end were as follows:

Group	**2015 R'000**	**2014 R'000**
Cash and cash equivalents	8 221	16 170
Investments	38 174	91 485
Trade and other receivables	199 695	175 386
	246 292	283 274

Company	**2015 R'000**	**2014 R'000**
Cash and cash equivalents	327	11
Investments	34 303	65 194
Loans to subsidiaries	16 111	13 885
	50 741	79 090

22.2 **Liquidity risk**

Liquidity risk is the risk that the group has insufficient funds available to settle its liabilities and borrowings on due date. The group manages liquidity risk through an on going review of its future commitments and of the facilities available from banking institutions. The following table analyses the group financial liabilities (including **unearned finance charges**) into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Group 2015	**0 – 6 months R'000**	**6 – 12 months R'000**	**Between 1 and 2 years R'000**	**Between 2 and 5 years R'000**	**Over 5 years R'000**
Bank loans	35 172	–	–	–	–
Mortgage bonds	898	898	1 797	3 594	1 377
Suspensive sale contracts	5 123	4 716	14 399	4 629	–
Shareholder loan	–	–	–	–	–
Finance lease contracts	–	–	–	–	–
Bank overdrafts	12 975	–	–	–	–
Trade and other payables	155 282	–	–	–	–
Gross liquidity risk	**209 450**	**5 614**	**16 196**	**8 223**	**1 377**
Preference Share Investment	(34 414)	–	–	–	–
Sinking Fund deposits	(3 871)	–	–	–	–
Forward exchange contracts	(680)	–	–	–	–
Cash and cash equivalents	(8 221)	–	–	–	–
Trade receivables	(199 695)	–	–	–	–
	(37 431)	**5 614**	**16 196**	**8 223**	**1 377**

Group 2014	**0 – 6 months R'000**	**6 – 12 months R'000**	**Between 1 and 2 years R'000**	**Between 2 and 5 years R'000**	**Over 5 years R'000**
Bank loans	20 453	8 661	31 354	74	–
Mortgage bonds	496	515	1 093	3 860	9 701
Suspensive sale contracts	4 662	22 345	5 326	9 925	449
Shareholder loan	–	–	–	–	–
Finance lease contracts	–	–	–	–	–
Bank overdrafts	422	–	–	–	–
Trade and other payables	162 037	–	–	–	–
Gross liquidity risk	**188 070**	**31 521**	**37 773**	**13 859**	**10 150**
Preference Share Investment	(35 105)	–	(34 414)	–	–
Sinking Fund deposits	(23 331)	–	–	(2 960)	–
Cash and cash equivalents	(16 180)	–	–	–	–
Trade receivables	(175 385)	–	–	–	–
	(61 931)	**31 521**	**3 359**	**(10 899)**	**10 150**

Company 2015	0 – 6 months R'000	6 – 12 months R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Trade and other payables	–	–	–	–	–
Group loans	40 735	–	–	–	–
Gross liquidity risk	**40 735**	**–**	**–**	**–**	**–**
Preference Share Investment	(34 414)	–	–	–	–
Cash and cash equivalents	(327)	–	–	–	–
	6 267	**–**	**–**	**–**	**–**

Company 2014	0 – 6 months R'000	6 – 12 months R'000	Between 1 and 2 years R'000	Between 2 and 5 years 000	Over 5 years R'000
Trade and other payables	–	–	–	–	–
Group loans	40 568	–	–	–	–
Gross liquidity risk	**40 568**	**–**	**–**	**–**	**–**
Preference Share Investment	(35 105)	–	(34 414)	–	–
Cash and cash equivalents	(11)				
	5 463	**–**	**(34 414)**	**–**	**–**

The group Financial Director actively manages funding requirements based on budgets received from operating entities adjusted for experience adjustments. Typically the group uses overdraft facilities to finance working capital movements. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. The group has the following general banking overdraft facilities which include covenants and restrictions on granting security, typical of banking "demand facilities":

(a) Inmins R5,0 million secured by debtors and a negative pledge over the rest of assets not subject to specific asset-based finance.

(b) Gundle R64,0 million. This is currently secured by cession of debtors (note 13) and a negative pledge over assets. In addition to the overdrafts, Gundle has utilised R4,9 million of facilities to secure letters of credit and forward exchange contracts. At the year-end the facility utilization was R12,3 million. The losses in Germiston and Swaziland have resulted in some "technical" covenant breaches and the group is currently negotiating with the bank to condone these.

22.3 **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity input prices, will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group has engaged an outsourced Currency Risk Manager (AJ Renard) to manage its foreign exchange exposures on a risk versus time basis. AJ Renard buys foreign currency derivatives in order to manage foreign exchange risks when pre-set trigger levels are hit. Such transactions are carried out within the guidelines set by the group treasury.

The group's interest rate risk arises from variable rate borrowings and bank overdrafts. Due to the fact that certain borrowings are linked to the prime overdraft rate, changes in the interest rate could have a significant effect on the group's profitability. The group manages its interest rate exposure by ensuring all interest-bearing borrowings are at or below market rates, or by fixing the rates at favourable terms. If interest rates on variable rate borrowings changed by 1% at the applicable rate at year-end, with all other variables held constant, the impact on post-tax profits would be R362 850 (2014: R528 300). Details and capital maturity profiles of the interest-bearing borrowings are detailed in Note 15.

The group does not enter into interest rate and fuel oil swaps to manage its exposure to fluctuations in interest rates and the oil price on diesel fuels.

The group does not enter into commodity contracts other than to meet the group's expected usage requirements; such contracts are not settled net.

22.4 **Foreign Exchange Risk**

The Group is exposed to foreign exchange risk in purchases that are denominated in foreign currencies, mainly US Dollars and Euro, liabilities to be settled at year-end in one of these foreign currencies and utilises a US Dollar-denominated bank account. Foreign currency denominated sales and receivables are not material. Management has set up policies and procedures to manage its foreign exchange risk. These include the use of forward exchange contracts and professional expert management of the group's currency exposure by a third party as described in 22.3 above.

At 30 September, the group had the following foreign currency denominated liabilities/assets.

	Trade receivables		**Trade payables**	
Group	**2015 '000**	**2014 '000**	**2015 '000**	**2014 '000**
US Dollar	298	456	736	534
Euro	–	–	1 168	653
Emalangeni	–	–	8 563	8 563
GBP	–	61	20	–

The group's commitment to open forward exchange contracts as at 30 September 2015 was as follows:

Group	**Amount 000**	**Settlement dates**	**Average exchange rates**
US Dollar 435		1 to 3 months	13,30
Euro 988		1 to 3 months	15,33

Excess forward cover relates to fixed and firm orders in foreign currencies, not yet a liability to the group. If foreign exchange rates change by 10% and were applied to the outstanding balances as at 30 September 2015, with all other variables held constant, the impact on post-tax profits would be:

Group	**Strengthening of the Rand by 10% R'000**	**Weakening of the Rand by 10% R 000**
Increase/(decrease) in post-tax profits	144	(144)
	2015	**2014**
Foreign currency exchange rates		
The following exchange rates were used in the conversion of foreign transactions at 30 September		
Rand/Dollar		
– Closing rate	13,89	11,24
– Average rate	12,01	10,58
Rand/Euro		
– Closing rate	15,58	14,35
– Average rate	13,77	14,36
GBP		
– Closing rate	21,05	18,05
– Average rate	18,55	17,53

22.5 **Supplier risk**

Certain large local suppliers are of strategic importance, but can be replaced in the medium-term if necessary. Sasol Limited is the only local supplier of key raw materials in the manufacture of Plastic Sheeting and are preferred because of short delivery turnarounds, but the product is available from many overseas manufacturers albeit with six- to eight-week lead times. Sasol again had a production problem in the current financial year but the group was able to mitigate the losses to a large extent and, as the whole market was affected, no material sales were lost to the group.

23. CAPITAL MANAGEMENT

The Board of Director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence while also being able to sustain future development of the businesses. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the group defines as total shareholders' equity, excluding minority interests. The group's objective is to maintain a distribution cover of approximately 2,7 (two point seven) times headline earnings subject to funds being available for the foreseeable future. The methods of distributions take into account prevailing market conditions, future cash requirements of the businesses, group liquidity requirements, as well as capital adequacy ratios. The 2015 year's distribution cover is approximately 2,7 (2014: Nil).

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of gearing and the advantages and security afforded by a sound equity position. The Group's target is to achieve a return on shareholders' interest of between 12% and 20%. In 2015 the return was 9,4% (2014: 5,1%).

From time to time the group purchases its own shares on the market. These shares were acquired when excessive discounts to net asset values were determined by the Directors, are held as "treasury stock", are not cancelled and are available for sale for future funding requirements.

There were no changes in the group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. Due to the subsidiary funding structure, the group has principally maintained a target debt/equity ratio of 90%, however, in the trading and services business of these subsidiaries, this debt/equity ratio is a poor measure of the funding capacity of the group. In order to ensure that a more reflective measure of debt capacity in the trading operations is utilised, the group has adopted an interest cover target of five times. Interest cover for the year to 30 September 2015 was only 4,9 times (2014: 2,0 times).

24. RELATED PARTIES

Identity of related parties

The group has a related party relationship with its subsidiaries, associates, joint ventures and key management. Key management personnel have been identified as the Executive and Non-Executive Directors of the Company. The definition of key management includes the close family members of key management personnel and any other entity over which key management exercises control. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with the group. This may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependents of the individual or the individual's domestic partner.

Transactions with key management personnel.

Directors of the Company and their immediate relatives beneficially control 46,9% (2014: 46,9%) of the voting shares of the Company.

Independent Non-Executive Directors do not participate in the group's profits. The group has no share option, share purchase schemes or conditional share awards schemes. Details pertaining to Executive Directors' remuneration are set out in the Remuneration Report in tables 1 to 3 below. All Director's remuneration is short-term.

The group encourages its employees to purchase goods and services from group companies. These transactions are generally conducted on terms no more favorable than those entered into with third parties on an arm's-length basis, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at year-end.

Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at group level. Certain of the Directors of the group are also Non-Executive Directors of other public companies which may transact with the group. The relevant Directors do not believe they have significant influence over the financial or operational policies of those companies. Those companies are thus not regarded as related parties. Ms NP Mnxasana was a Non-Executive Director of Nedbank and the JSE, but as no control is exercised, these were not considered to be related parties.

The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries of the group and key management personnel (as defined above) and/or organisations in which key management personnel have significant influence. Balances between related parties are disclosed in Note 10.

Table 1: Executive Directors' remuneration (R'000)

	Short-term remuneration portion					Post-employment portion
Name	**Basic salary**	**Car allowance**	**Total fixed remuneration**	**Total flexible remuneration**	**Total fixed and flexible remuneration**	**Benefit fund contributions**
W Fourie	1 967	174	2 141	–	2 141	359
G Scrutton	1 517	200	1 717	650	2 367	301
TOTAL 2015	**3 484**	**374**	**3 858**	**650**	**4 508**	**660**
W Fourie	1 967	208	2 175	–	2 175	295
G Scrutton	1 452	191	1 643	–	1 643	243
TOTAL 2014	**3 419**	**399**	**3 818**	**–**	**3 818**	**538**

Table 2: Key management's remuneration (R000)

	Short-term remuneration portion					Post-employment portion
Name	**Basic salary**	**Car allowance**	**Total fixed remuneration**	**Total flexible remuneration**	**Total fixed and flexible remuneration**	**Benefit fund contributions**
TOTAL 2015	**3 887**	**585**	**4 472**	**917**	**5 389**	**593**
TOTAL 2014	**3 801**	**592**	**4 393**	**736**	**5 129**	**569**

Table 3: Non-Executive Directors' remuneration (R'000)

Name	**Directors' fees**	**Committee fees**	**Total remuneration**
WAR Wenteler	400	–	400
R Naidoo	125	129	254
PC Nash	85	102	187
NP Mnxasana	27	23	50
H Jeena	10	10	20
TOTAL 2015	**647**	**264**	**911**
WAR Wenteler	400	–	400
R Naidoo	86	85	171
PC Nash	65	76	141
NP Mnxasana	65	90	155
TOTAL 2014	**616**	**251**	**867**

	Group 2015 R'000	2014 R'000	Company 2015 R'000	2014 R'000
Transactions with key management personnel				
Sales and services provided by the Group	–	**17**	–	–
Outstanding amounts due to the group at year-end	–	–	–	–
Included in trade receivables	–	–	–	–
Outstanding amounts due by the group at year-end	–	–	–	–
Included in trade payables	–	–	–	–
Guarantees issued	–	–	–	–
Transactions with associates				
The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries and associates of the group:				
– Sales and services provided by the group				
– Purchases	1 548	977	–	–
– Outstanding amounts due to the group at year-end included in advances to associates	121	121	121	121
– Guarantees issued				
Loan from shareholder (Astra Holdings)	–	–	–	–
Details of investment and effective interest in associates and subsidiaries are disclosed in **Note 9 and 10**				

25. **ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Board of Directors has considered the group's critical accounting policies, key sources of uncertainty and are where critical accounting judgments were required in applying the group's accounting policies.

Critical accounting policies

The audit committee is satisfied that the critical accounting policies are appropriate to the group.

Critical accounting estimates in applying the Group's accounting policies

Estimates made in the application of the accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Control

The group owns 74,9% of Gundle Plastics Group Proprietary Limited and 74,9% of Inmins Trading Proprietary Limited. The group's voting rights are proportionate to the shareholding and it therefore has the ability to use its power over these entities to affect the returns that Winhold earns from its investment.

Trade receivables and loans receivable

The group assesses its trade receivables and loan receivable for impairment at each reporting date. In determining whether an impairment loss should be recorded in the income statement, the Group makes a judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Management identifies impairment of trade receivables on an ongoing basis. An impairment allowance in respect of doubtful debts is raised against trade receivables when their collectability is specifically considered to be irrecoverable. Management believes that the impairment adjustment is conservative and there are no significant trade receivables that are doubtful and have not been impaired or allowance provided for. In determining whether a particular receivable could be doubtful, the age, customer's current financial status and disputes with the customer are taken into consideration. (Refer to Note 13).

Allowance for slow moving, damaged and obsolete inventories

Inventories are assessed on a continuous basis in order to ensure that it is correctly valued at the lower of cost and net realisable value. A provision is made against inventories when it is determined to be incorrectly valued as a consequence of changes in market conditions or it is considered to be damaged or unuseable. Write-downs are included in cost of sales. (Refer to Note 12).

Impairment testing

Management used their judgement and applied the internal and external impairment indicators to investments and property, plant and equipment, other than to set out above (Goodwill impairment), no impairment indicators were identified and as such the recoverable amounts of the aforementioned assets were not calculated.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including, but not limited to, entity-specific variables, i.e. Production estimates, supply and demand, together with economic factors such as exchange rates, inflation, interest and commodity prices.

Property, plant and equipment

The group depreciates its assets over their estimated useful lives taking into account residual values, where appropriate. In terms of IAS 16 – Property, Plant and equipment, the appropriateness of the group's assets estimated useful lives is reassessed annually. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Future reviews of estimated useful lives are not expected to result in a significant adjustment to future depreciation charges and are limited to the extent of changes to the abovementioned factors, namely technological innovation, product life cycles and maintenance programs (Refer to Note 7).

Deferred taxation

Deferred tax is provided for on a basis that is reflective of management's intention at year-end relating to the expected manner of recovery of the carrying amount of the asset, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. (Refer to Note 3).

Income taxes

Judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether and when additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Refer to Note 3).

Impairment of goodwill

The Group has assessed the carrying value of goodwill to determine whether any of the amounts have been impaired. The carrying values were assessed on the value-in-use, using the price earnings method adjusted for non-recurring items with cognisance taken of the forecasts for future years. (Refer to Note 8).

Investments

Investments that the group has the positive intent and ability to hold to maturity are reflected at fair value. The Directors' value of unlisted investments was determined using a combination of discounted cash flow, net asset value and price earnings methods. (Refer to Note 11).

Post-retirement obligations

The group provides retirement benefits for certain of its permanent employees through pension's funds with defined benefit and defined contribution categories. Actuarial valuations are based on assumptions which include the discount rate, inflation rate, salary increase rate, expected return on plan assets and the pension increase allowance rate. (Refer to Note 18).

26. DETERMINATION OF FAIR VALUE

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Goodwill

The fair value of goodwill is based on the above expectation discounted cash flows adjusted for non-recurring items (Refer to Note 8).

Investments

Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the reporting date. Fair value of unlisted investments is determined by using appropriate valuation models. (Refer to Note 11).

Forward exchange contracts

The fair value of forward exchange contracts is based on their listed market prices. (Refer to Note 22.4).

Borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. The carrying value of the bank overdrafts is the fair value. (Refer to Note 15).

27. NEW STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2015. These include the following standards and interpretations and amendments to standards that are applicable to the business of the group, and have not been applied in preparing these consolidated financial statements:

- *IFRS 9 – Financial Instruments*

  The revised statement is effective for the group for the year ending 30 September 2018, with restatement of comparatives required subject to transitional provisions.

  IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortized cost or at fair value. Financial assets are measured at amortized cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

  In addition, IFRS 9 addresses the initial measurement and classification of financial liabilities and will replace the relevant sections of IAS 39. The classification and measurement of financial liabilities are the same as IAS 39 except that fair value changes for financial liabilities designated at fair value through profit or loss, attributable to changes in the credit risk of the liability, will be presented in other comprehensive income and derivative financial liabilities linked to and settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured, are measured at fair value.

The amendment is not expected to impact the group's results significantly.

- *IFRS 15 – Revenue From Contracts With Customers*

  The new statement is effective for the group for the year ending 30 September 2018, with restatement of comparatives required subject to transitional provisions.

  IFRS 15 establishes a single, comprehensive and robust framework for the recognition, measurement and disclosure of revenue.

  The new statement is not expected to impact the group's results significantly.

Non-applicable standards, amendments and interpretations

The other remaining standards, amendments and interpretations issued but not yet effective have been assessed for applicability to the group and management has concluded that they are not applicable to the business of the group and will therefore have no impact on future financial statements.

28. GOING CONCERN

As set out in the Director's Report (no longer reported on by the Auditors) the Directors formally assessed the "Going Concern Assessment" at the Board meeting on 19 November 2015 and passed, without objection or abstention, a resolution that the group was a going concern.

29. SUBSEQUENT EVENTS

These financial statements were approved by the Directors on 19 December 2015 which gave the Chairman and Chief Executive Officer the authority to approve the financial statements.

As set out in the Directors' Report there are no material events after the reporting period and the date of this report.

30. PROFIT BEFORE TAX FOR THE YEAR

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
PROFIT BEFORE TAX FOR THE YEAR				
Revenue				
Sale of goods	1 134 596	1 203 101	–	–
Rental and service income	14 447	19 203	–	–
	1 149 043	**1 222 304**	**–**	**–**
Income				
Profit on disposal of property, plant and equipment	83	149	–	–
Investment income from preference shares	112	4 207	112	8 179
Dividends received from associates	–	–	274	281
Operating and administrative expenses include:				
Auditors' remuneration	**918**	**2 417**	**80**	**142**
Depreciation	14 915	14 457	–	–
Inventory costs expenses for the year	**927 404**	**983 941**	**–**	**–**
Inventory costs expensed for the year	926 530	980 329	–	–
Inventory costs impaired for the year	874	3 612	–	–
Foreign exchange (profits)/losses	(1 010)	1 855	–	–
Operating leases on properties	**8 898**	**10 658**	**–**	**–**
– Minimum lease payments	8 898	10 753	–	–
– Sub-lease income	–	(95)	–	–
Management, technical and consultancy fees	7 727	2 063	–	8
Listing costs (JSE)	491	837	491	369
Directors' remuneration (*)	**5 060**	**6 079**	**–**	**–**
– Executive Directors	3 874	5 168	–	–
– Non-Executive Directors	1 186	911	–	–
Staff costs (see note 6)				

(*) *Full details of Directors' emoluments are set out in note 24 (related parties).*

31. NET FINANCING (COSTS)/INCOME

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Finance costs paid – Interest-bearing debt	(4 641)	(7 866)	–	–
Finance costs paid – Bank	(1 825)	(735)	–	(2)
Finance costs paid – Other (SARS and Suppliers)	(283)	(40)	–	–
Less: Finance income received – Bank	102	580	–	–
	(6 647)	**(8 061)**	**–**	**(2)**

32. TAXATION

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Deferred taxation liability				
Accelerated tax allowances	(2 264)	(14 910)	–	–
Prepayments and provisions	1 106	2 617	–	–
Tax loss carried forward/(utilised)	(2 404)	5 497	–	–
Deferred tax liability balance	**(3 562)**	**(6 796)**	**–**	**–**
Deferred taxation assets			–	–
Deferred tax asset balance	20 101	22 560	–	–
Net deferred taxation	**16 539**	**15 764**	**–**	**–**
Balance at 1 October	15 764	12 575	–	–
Income statement credit	767	3 213	–	–
Foreign tax rate difference (Swaziland)	8	(24)	–	–
Balance at 30 September	**16 539**	**15 764**	**–**	**–**
Deferred taxation assets (for assessed losses) not provided	**–**	**4 072**	**–**	**–**
Income statement charge/(credit)				
SA normal tax – current year	3 391	8 491	–	–
SA normal tax – prior year adjustment	63	–	–	–
Deferred taxation – current year	(767)	(3 190)	–	–
	2 687	**5 301**	**–**	**–**
Taxation payable				
Taxation receivable on 1 October	1 628	876	–	–
Taxation paid	(5 055)	(7 739)	–	–
Current year charge	3 391	8 491	–	–
Prior year charge	63	–	–	–
Taxation payable on 30 September	**27**	**1 628**	**–**	**–**

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Tax rate reconciliation				
Profit before tax	**22 318**	**36 436**	**(15)**	**8 189**
Tax at 28% (2015: 28%)	6 249	10 202	(4)	2 293
Income not subject to tax – Dividends and share of associate income	(1 234)	(1 500)	–	(2 290)
Expenses not deductible for tax	(692)	135	4	–
Foreign tax rate difference	(25)	(24)	–	–
Tax losses (utilised)/not utilised	(1 674)	(3 512)	–	(3)
Prior periods normal tax adjustments	63	–	–	–
Tax charge per statement of comprehensive income	**2 687**	**5 301**	**–**	**–**

Deferred income tax assets and liabilities are offset when the income taxes relate to the same fiscal authority and legal entity.

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 28% for South African operations and the relevant tax jurisdiction for non-South African operations. Material deferred income tax assets are recognised when the realisation of the related tax benefit is probable. The probable utilisation of the losses was based on budgeted and forecast results of subsidiary companies within three to five years depending on the stability of the business. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses where it is probable under current circumstances, that future taxable income will not be available to utilise these benefits in the foreseeable future.

Deferred tax liabilities have not been established for unrealised withholding taxes on such unremitted reserves which are considered to be permanently reinvested.

33. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

	Group	
	2016 R'000	2015 R'000
Reconciliation of headline earnings		
Earnings for the year attributable to shareholders	16 682	27 402
Profit on disposal of property, plant and equipment	(83)	(149)
Taxation effect on disposal of fixed assets	23	30
Headline earnings	**16 622**	**27 283**
Weighted average shares	125 506	125 506
Earnings per share	13,3	21,8
Headline earnings per share (cents)	13,1	21,6

No diluted earnings per share figures are presented as there are no current obligations or commitments to issue shares in the future.

The calculation of headline earnings per ordinary share is based on the earnings attributable to ordinary shareholders after remeasurement items and non-controlling interest share but before capital items and impairments and a weighted average number of shares in issue during the year of 125 505 786 (2015: 125 505 786), after deducting treasury stock of 709 345 (2015: 709 345) shares. Headline earnings per share as detailed above is based on earnings adjusted for capital items together with net profit on sale of property, plant and equipment adjusted for any taxation effect thereon and any income attributable to non-controlling interests.

34. **DIVIDENDS**

Due to the improved results of the Group, the Board declared a dividend of 4,0 cents (2015: 7,0 cents) per ordinary share on the 16 November 2016 for the year ended 30 September 2016. Payment will be made on 27 February 2017.

35. **EMPLOYEE COSTS**

	Group 2016 R'000	2015 R'000
Wages, salaries and reimbursed amounts	163 387	165 703
UIF and medical aid costs	6 330	5 999
Staff training costs	881	970
Total short-term portion	**170 598**	**172 672**
Termination benefits paid		
Pension and provident fund contributions		
– Defined benefit current service cost	11 370	9 473
– Defined contribution	314	1 267
Total post-employment benefits	**11 684**	**10 740**
Total employee costs	**182 232**	**183 412**

The above costs have been included in either manufacturing or other operating expenses.

	Note	Group 2016 R'000	2015 R'000
ACTUARIAL GAIN/LOSS ON DEFINED BENEFIT PLAN			
Defined benefit pension cost			
– Insured cost and expenses		(2 155)	(2 553)
– Employee contributions		7 680	5 921
– Additional employee contribution		6	8
– Reinsurance recoveries		583	–
– Transfer of other funds		1 528	350
– Expected return on plan assets		19 138	18 325
– Actual service cost		(15 927)	(14 797)
– Interest cost		(18 452)	(16 700)
Current service cost		**(7 599)**	**(9 446)**
– Employer contributions		11 370	9 473
Actuarial gain/(loss) on defined benefit plan	18	**3 771**	**27**
Other comprehensive income			
Actuarial remeasurement on defined benefit plan		(3 771)	(27)
Actuarial gain/(loss) for the year		14 390	(1 180)
Asset ceiling as a result of expected present value of future benefit adjustment		(14 390)	1 180
		(3 771)	**(27)**

36. PROPERTY, PLANT AND EQUIPMENT

Group 2016 R'000	Cost at 30 Sept 2015	Additions for the year	DTI grant received	Transfer	Disposals for the year	Cost at 30 Sept 2016	Net book value 30 Sept 2016
Land	3 912	–	–	–	(245)	3 667	3 667
Buildings	26 906	378	–	–	240	27 524	27 524
Plant and equipment	173 582	5 401	(2 628)	–	(12 248)	16 410	70 436
Furniture, fittings and office equipment	15 334	838	–	(254)	1 002	16 920	2 667
Motor vehicles	28 802	3 121	–	–	(1 636)	30 287	11 770
Capitalised leased assets	20 181	1 884	–	–	(237)	21 828	11 454
Leasehold improvements	2 360	288	–	254	(2 375)	527	175
Patents	–	–		–	110	110	80
	271 077	**11 910**	**(2 628)**	**–**	**(18 017)**	**264 970**	**127 773**

Group 2015 R'000	Cost at 30 Sept 2014	Additions for the year	Transfer	Disposals for the year	Cost at 30 Sept 2015	Net book value 30 Sept 2015
Land	3 912	–	–	–	3 912	3 912
Buildings	26 906	–	–	–	26 906	26 906
Plant and equipment	167 585	6 920	–	(923)	173 582	78 955
Furniture, fittings and office equipment	14 355	1 069	–	(90)	15 334	350
Motor vehicles	25 582	5 649	–	(2 429)	28 802	13 207
Capitalised leased assets	20 181	–	–	–	20 181	10 466
Leasehold improvements	2 367	–	–	(7)	2 360	893
	260 888	**13 638**	**–**	**(3 449)**	**271 077**	**134 689**

Group 2016 R'000	Accumulated depreciation 30 Sept 2014	Charge for the year	Impairments	Transfer	Disposals for the year	Accumulated depreciation at 30 Sept 2015
Land and buildings	–	(36)	–	36	–	–
Plant and equipment	94 627	10 044	–	(19)	(10 981)	93 671
Furniture, fittings and office equipment	14 984	1 006	–	(950)	(787)	14 253
Motor vehicles	15 595	3 070	–	1 649	(1 797)	18 517
Capitalised leased assets	9 715	722	–	(63)	–	10 374
Leasehold improvements	1 467	98	–	(807)	(406)	352
Patents		11	–	154	(135)	30
	136 388	**14 915**	**–**	**–**	**(14 100)**	**137 197**

Group 2015 R'000	Accumulated depreciation 30 Sept 2014	Charge for the year	Impairments	Transfer	Disposals for the year	Accumulated depreciation at 30 Sept 2015
Land and buildings	–	–	–	–	–	–
Plant and equipment	85 483	9 808	–	–	(664)	94 627
Furniture, fittings and office equipment	14 197	869	–	–	(82)	14 984
Motor vehicles	14 453	3 101	–	–	(1 959)	15 595
Capitalised leased assets	9 036	679	–	–	–	9 715
Leasehold improvements	1 467	–	–	–	–	1 467
	124 636	**14 457**	**–**	**–**	**(2 705)**	**136 388**

Certain property, plant and equipment with a net book value of R79,7 million (2015: R79,0 million) are encumbered as set out in note 15. A register of properties is open for inspection at the registered office of the Company.

All disposals were made in the ordinary course of business.

37. **GOODWILL***

Goodwill Cost/Net book value R'000	**Net book value 30 Sept 2016**	**Net book value 30 Sept 2015**
Conway Johnson Rustenburg (Mining)	8 162	8 162
Other Inmins Mining branches	1 190	1 190
Inmins Industrial branches	10 189	10 189
	19 541	**19 541**

There was no impairment recognised during the years presented.

The Group tests annually whether goodwill has suffered any impairment in accordance with the Group's accounting policies. These calculations require the use of estimates. The carrying value of goodwill of a CGU is determined based on value-in-use of the CGU. The value-in-use is determined by discounting the future cash flow generated from the continuing use of the unit and was based on the following assumptions:

	Constant growth rate (A)		**Average anticipated annual revenue growth (B)**		**Discount rate**	
	2016 %	**2015 %**	**2016 %**	**2015 %**	**2016 %**	**2015 %**
Inmins Mining branches	5.00	5.00	10.17	8.75	20.00	20.00
Inmins Industrial branches	5.00	5.00	9.21	8.77	20.00	20.00

Appropriate growth and discount rates, given the industry and location of the cash-generating unit and its operations, are applied in the forecast. The value-in-use of each unit mentioned above was determined to be higher than its carrying amount. No impairment loss was recognised for the CGU's (2015: nil).

Cash flows were projected based on actual operating results, management's budget for 2016 and four-year forecasts. Cash flows beyond this were extrapolated using a constant growth rate of (A) percent, which does not exceed the long-term average growth rate for the industry. Appropriate growth and discount rates, given the industry of the cash-generating unit and its operations, are applied to the forecast. Revenue forecasts were used as the basis for determining the value assigned to each cash-generating unit. The average anticipated annual revenue growth included in the cash flow projections was (B) percent for the years 2016 to 2020. The values assigned to the key assumptions represent management's assessment of the businesses and are based on both external sources and internal sources. A sensitivity analysis has been performed adjusting both the growth and discount rates by 1%. This analysis did not result in any material impact on the valuation of goodwill.

38. **INVESTMENTS AND LOANS IN ASSOCIATES**

2016 R'000	**Zenzele 1**	**Zenzele 2**	**Total**
Beginning of the year	2 698	525	3 223
Equity income	**571**	**(316)**	**255**
Share of after tax profits	823	(294)	529
Dividends received	(252)	(22)	(274)
End of the year	**3 269**	**209**	**3 478**

2015 R'000	Zenzele 1	Zenzele 2	Total
Beginning of the year	2 442	531	2973
Equity income	**256**	**(6)**	**250**
Share of after-tax profits	508	23	531
Dividends received	(252)	(29)	(281)
End of the year	**2 698**	**525**	**3 223**

Zenzele 1– Zenzele Industrial Supplies Proprietary Limited: 34% shareholding (KwaZulu-Natal).

Zenzele 2 – Zenzele Industrial Supplies (Mpumalanga) Proprietary Limited: 39% shareholding.

Both companies activities are that of industrial supplies and aren't strategic for the Group.

Transactions with associated companies are disclosed in note 24 (related parties).

Loans to the associates R121 000 (2015: R121 000) are unsecured, interest-free and have no fixed terms of repayment. The loans are considered to be part of the investment in the associates as they were issued to help fund the start-up of the companies and are not expected to be repaid in the near future.

SUMMARISED INFORMATION OF ASSOCIATES

2016 R'000	Zenzele 1	Zenzele 2	Total
Revenue	17 628	4 742	22 370
Total comprehensive income	3 304	(755)	2 549
Profit after tax	2 361	(755)	1 606
Retained income for year	1 620	(755)	865
Non-current assets	1	340	341
Deferred taxation	(86)	13	(73)
Current assets	14 729	888	15 617
Current liabilities	(4 345)	(168)	(4 513)
	10 299	**1 073**	**11 372**
Shareholders' funds	10 299	834	11 133
Non-current liabilities	–	239	239
	10 299	**1 073**	**11 372**

2015 R'000	Zenzele 1	Zenzele 2	Total
Revenue	15 755	7 724	23 479
Total comprehensive income	2 158	54	2 212
Profit after tax	1 491	37	1 528
Retained income for year	752	(15)	737
Non-current assets	39	76	115
Deferred taxation	(71)	13	(58)
Current assets	11 770	1 783	13 553
Current liabilities	(3 988)	(559)	(4 547)
	7 750	**1 313**	**9 063**
Shareholders' funds	7 750	1 313	9 063
Non-current liabilities	–	–	–
	7 750	**1 313**	**9 063**

Investment in associates' carrying value reconciliation R'000	Zenzele 1	Zenzele 2	Total
2016			
Shareholders' funds	10 299	834	11 133
Percentage shareholding	34	39	–
Share of shareholders' funds	3 502	325	3 827
Loans to associates	51	69	120
	3 553	**394**	**3 947**
Carrying value of investment	**3 269**	**209**	**3 478**

39. INVESTMENT IN SUBSIDIARIES

SUMMARISED INFORMATION OF SUBSIDIARIES

2016 R'000	Gundle	Inmins	Total
Revenue	856 122	294 280	1 150 402
Other comprehensive income	–	–	–
Total comprehensive income	63	11 637	17 100
Profit after tax	6 340	8 411	14 751
Retained income for year	5 503	6 300	11 803
Non-current assets	120 533	64 810	185 343
Deferred taxation	13 844	1 259	15 103
Current assets	265 739	79 407	345 146
Current liabilities	(146 345)	(32 396)	(178 741)
	253 771	**113 080**	**366 851**
Shareholders' funds	170 238	112 895	283 133
Non-current liabilities	83 533	185	83 718
	253 771	**113 080**	**366 851**

2015 R'000	Gundle	Inmins	Total
Revenue	920 684	302 884	1 223 568
Other comprehensive income	96	39	135
Total comprehensive income	22 080	4 872	26 952
Profit after tax	19 298	3 691	22 989
Retained income for year	15 565	–	15 565
Non-current assets	126 193	73 947	200 140
Deferred taxation	9 779	4 221	14 000
Current assets	298 304	80 665	382 969
Current liabilities	(190 611)	(53 860)	(248 471)
	243 665	**104 973**	**348 638**
Shareholders' funds	163 897	104 484	268 381
Non-current liabilities	79 768	489	80 257
	243 665	**104 973**	**348 638**

	Issued share capital		Shares at cost		Amounts owing (to)/by subsidiaries	
	2016	2015	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Held by Company						
Inmins Properties	4 000	4 000	4	4	(7 164)	(7 164)
Inmins Trading (74,9%)	1 000	1 000	19 540	19 540	24 997	11 853
Inmins Trading Prefs	–	–	83 297	83 297	–	–
Gundle Properties	2 800	2 800	1 505	1 505	(3 624)	(3 624)
Gundle Plastic Group (74,9%)	1 000	1 000	1	1	16 693	4 258
Gundle Plastics Group Prefs	–	–	109 972	109 972	–	–
Gundle Woven	120	120	–	–	–	–
Secotrade 5	1	1	2	2	–	–
Swazi Plastics Ind.#	600	600	974	974	(20 000)	(20 000)
Winhold Management Company	5 000	5 000			(10 341)	(9 947)
Inmins Limited	–	–	–	–	–	–
Gundle Limited	–	–	–	–	–	–
Total all subsidiaries	–	–	215 295	215 295	–	–
Impairment provisions	–	–	(974)	(974)	–	–
	–	**–**	**214 321**	**214 321**	**–**	**–**
Held by subsidiaries						
Gundle GeoSynthetics	100	100	17	17	–	–
Plastics International Limited#	100	100	1 319	1 319	–	–
Novara Profile Extrusion	1 000	1 000	–	–	24 002	24 002
Total all subsidiaries					24 563	(622)
Impairment provisions					(31 638)	(31 638)
					(7 075)	**(32 260)**

#Incorporated in Swaziland.

Interest in subsidiaries R'000	Impairment as at 30 Sept 2015	Impairment in 2016	Impairment as at 30 Sept 2016
Gundle Woven Proprietary Limited	7 636	–	7 636
Novara Profile Extrusions Proprietary Limited	24 002	–	24 002
	31 638	**–**	**31 638**

Unless otherwise stated all companies above are unlisted, Proprietary Limited's and 100% held and are all South African-based.

Only details of those subsidiaries which are material in terms of the financial position or results of the Company are disclosed. Dormant companies are excluded. Full details of all companies in the Group may be obtained at the registered office.

Loans to subsidiaries are unsecured, interest-free and have no fixed repayment terms. Loans from subsidiaries interest-free and have no fixed repayment terms.

40. UNLISTED INVESTMENTS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Preference shares – HY Investments	–	34 303	–	34 303
Sinking fund deposit	4 848	3 871	–	–
	–	38 174	–	34 303
Less: Short-term portion	(4 848)	(34 303)	–	(34 303)
	–	**3 871**	**–**	**–**

The credit quality of the investments is expected to be good as the investment in the sinking fund has historically outperformed management's expectations. The value reflects the fair market value. The sinking fund matures in the 2017 financial year.

41. INVENTORIES

	Group	
	2016 R'000	2015 R'000
Inventories comprise:		
Raw materials and components	32 654	35 898
Work in progress	6 479	2 988
Finished goods and merchandise	116 670	126 257
	155 803	**165 143**

Impairment reconciliation	Opening balance R'000	Additional provision R'000	Utilised during the year R'000	Closing balance R'000
2016				
Impairment for finished goods	11 343	2 163	(2 833)	10 673
2015				
Impairment for finished goods	8 133	3 958	(748)	11 343

Finished goods include an impairment provision of R10 673 000 (2015: R11 343 000) for inventory that has been impaired.

Impairment provisions are calculated in terms of specific formulas. Inmins provides for stock based on the date of purchase, 10% if purchased 12 to 24 months ago, 30% if purchased 25 to 36 months ago, 60% if purchased 37 to 48 months ago and 100% if older than 48 months. Gundle provides 80% of all inventory older than six-months unless the Line Director and Group CFO agree that the item will realise more than this in the next 12 months.

42. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 R'000	**2015 R'000**	**2016 R'000**	**2015 R'000**
Trade receivables	164 700	198 815	–	–
Deposits and advances	362	880	–	–
Rebates	707	202	–	–
Value added tax	1 892	3 179	125	57
Other	2 528	3 953	269	13
	170 189	**207 029**	**394**	**70**

The table below illustrates the age analysis of trade receivables, impairment provision and net trade receivables due and past due and not provided for:

	2016			2015		
Group	**Gross trade receivables R'000**	**Provision for impairment R'000**	**Net trade receivables R'000**	**Gross trade receivables R'000**	**Provision for impairment R'000**	**Net trade receivables R'000**
Current	100 873	–	100 873	106 724	–	106 724
30 days	43 442	(223)	43 219	46 960	(281)	46 679
60 days	13 215	(782)	12 433	38 713	(743)	37 970
90 days	8 678	(966)	7 712	8 638	(1 522)	7 116
120 days and over	866	(403)	463	1 205	(879)	326
Total	**167 074**	**(2 374)**	**164 700**	**202 240**	**(3 425)**	**198 815**

The table below reconciles the movement in the provisions for impairment of trade receivables.

	2016 R'000	**2015 R'000**
Balance at beginning of year	3 425	3 424
Provision for impairment	558	1 044
Amounts written off as uncollectable	(1 609)	(1 043)
Balance at end of year	**2 374**	**3 425**

All receivables on which an impairment is recognised have been fully provided for.

- **Credit quality of trade and other receivables**

  The credit quality is assessed by reference to external credit ratings (if available) or to historical information.

  The Group does not hold collateral security against any trade receivables. Debtors amounting to R60,7 million (2015: R80,4 million) are covered by CGIC credit insurance where the Group has a 20 – 25% co-insurance exposure, refer Note 22.1 for further detail on Credit Risk.

- **Trade receivables past due and not impaired**

  Normal credit terms extended from 30 – 60 days. Trade receivables which exceed 60 days are considered past due. Those considered impaired have been provided as detailed in the table above. Impairment is based on management's discussions with the debtor concerned and information from credit bureaus.

- **Fair value of trade receivables**

  The fair value of trade receivables approximates their carrying value due to their current nature.

- **Cession of book debt as security for bank overdraft facilities**

  Receivables amounting to R165 million (2015: R199 million) have been ceded as security for banking facilities. At year-end the utilisation of the bank facilities amounted to R15,1 million (2015: R32,9 million), after the set off of positive bank balances of R20,1 million (2015: R8,2 million).

- **Exposure to major customers**

  The Group exposure to major customers is limited to large cement (flexible packaging segment), consortium and engineering (both relates to flexible building segment) Groups and the largest three exposures at the year-end were R28,0 million (2015: R28 million). Refer to Note 24.2 for analysis of these exposures.

- **Currency denomination**

  There are no material individual receivables denominated in foreign currency. Refer to Note 22.5 for analysis of exposure to foreign debtors.

43. STATED CAPITAL ACCOUNT

	Group		Company	
	2016 R'000	**2015 R'000**	**2016 R'000**	**2015 R'000**
Authorised share capital				
Ordinary				
202 847 596 (2015: 202 847 596) ordinary shares of no par value				
Preference				
75 000 (2015: 75 000) 5% redeemable cumulative preference shares of R2 each	150	150	150	150
4 288 101 (2015: 4 288 101) variable rate redeemable cumulative preference shares of 1 cent each	43	43	43	43

	Group		Company	
	2016 R'000	**2015 R'000**	**2016 R'000**	**2015 R'000**
Issued ordinary share capital				
126 215 131 (2015: 126 215 131) ordinary shares of no par value in issue at year-end	123 627	123 627	123 627	123 627
Less: Adjustments for 709 345 shares held by the Group	(834)	(834)	–	–
Stated capital account	122 793	122 793	123 627	123 627

There are no current commitments to issue normal or preferential shares at a future date.

The unissued ordinary shares are under the control of the Directors subject to the provisions of the Companies Act, until the forthcoming Annual General Meeting. Members will be asked at the forthcoming Annual General Meeting to pass a general resolution to place the unissued shares under the control of the Directors.

A subsidiary Company owns 709 345 (2015: 709 345) of the Company's ordinary shares as treasury shares. There is no intention at this time to cancel these shares.

Shareholders have one vote per share owned.

44. INTEREST-BEARING BORROWINGS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	R'000	**R'000**	**R'000**	**R'000**
Variable interest rates				
Mortgage bonds	6 468	6 767	–	–
Instalment sales agreements	8 243	16 228	–	–
	14 711	**22 995**	**–**	**–**
Total non-current	**14 711**	**22 995**	**–**	**–**
Current				
Fixed interest rates				
Current portion of long-term bank loans	–	31 264	–	–
	–	**31 264**	**–**	**–**
Variable interest rates				
Current portion of:				
– Mortgage bonds	1 045	1 797	–	–
– Instalment sales agreement	13 427	8 022	–	–
Short-term portion of long-term debt	**14 472**	**41 083**	**–**	**–**
Bank overdraft	–	12 975	–	–
Total short-term borrowings	14 472	54 058	–	–
Total interest-bearing borrowings	**29 183**	**77 052**	**–**	**–**

The borrowings disclosed above include secured liabilities as follows:

- Mortgage bonds are secured by land and buildings with a book value of R20,4 million (2015: R20,4 million), bear interest at rates linked within 1% of prime and are repayable in monthly instalments of R153 811 (2015: R149 750).
- Instalment sales agreements are secured by plant, equipment and vehicles with a book value of R79,7 million (2015: R79,0 million), bear interest at rates generally linked within 1% of prime, and are repayable in monthly instalments of R848 040 (2015: R957 000), inclusive of interest.
- Bank overdrafts are 'call facilities' and bear interest linked to prime overdraft rates. The terms, conditions and securities are set out in note 22.3

  The carrying value of all borrowings approximate their fair values as all borrowings bear interest at market-related rates. In terms of the Memorandum of Incorporation the borrowing powers of the Directors are unlimited.

  The capital portion of the interest-bearing borrowings is repayable as follows:

	Group	
	2016	**2015**
	R'000	**R'000**
Banking facilities (demand)	–	12 975
Between 1 and 12 months	14 472	41 083
Between 1 and 2 years	6 250	13 946
Between 2 and 5 years	6 166	7 671
Over 5 years	2 295	1 377
	29 183	**77 052**

45. OTHER LIABILITIES

	Group 2016 R'000	Group 2015 R'000
Post-retirement medical aid obligations	1 279	1 452
Swazi retrenchment provision	2 036	1 726
	3 315	**3 178**

Post-retirement medical aid obligations represent the present value of amounts payable to three pensioners and their dependants as a result of a past business acquisition. Where employees do exist with post-retirement medical aid benefits these are identified and actuarially valued on a regular basis. Liabilities based on these evaluations are recognised in the statement of financial position and are not funded. Expenses relating to employee services rendered during the subsequent periods are expensed in the statement of comprehensive income and the statement of financial position liabilities are increased correspondingly. Due to the application of the Group policy (not to provide such post-retirement medical aid benefits), attrition of time will eventually expunge the liabilities for such benefits. Current Group policy is not to provide post-retirement medical aid benefits, except in limited cases where a Group of employees with such conditions of employment exist in new businesses acquired. In future acquisitions where post-retirement medical aid benefits exist, adequate provision will be made for the existing liability in the transaction. In such cases new employees in the relevant operations will not be employed with such post-retirement medical aid benefits.

The law of Swaziland requires that the Company pay out a statutory minimum retrenchment when a business is sold, closed, or an employee is retrenched or retires, and this local law requires the Company to provide for these retrenchments.

46. TRADE AND OTHER PAYABLES

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
Trade payables and accounts	122 989	155 282	–	–
Accrued bonuses	5 379	8 071	–	–
Accrued leave pay	8 000	9 350	–	–
Rebates payable	2 647	1 392	–	–
Value added tax	3 378	1 816	–	–
Taxation payable	27	1 628	–	–
Accrued operating and other expenses	18 149	18 206	–	–
PAYE, SDL and other remuneration provisions	12 715	10 365	1 210	1 095
	173 284	**206 110**	**1 210**	**1 095**

Trade payables are payable within normal credit terms of 30 – 60 days.

47. PENSION FUND

The Group provides retirement benefits through pension and/or provident funds. Post-retirement benefits for permanent employees are provided as follows: 40,9% (2014: 34%) of Group employees are members of the Winhold Group Pension Fund and remaining employees belong to statutory or union retirement plans being the Industrial Council Pension/Provident Funds or the Chemical Industries National Provident Fund. In respect of employees the Group has no further material liability after payment of the required contributions to these funds. The Winhold Group Pension Fund is a defined benefit plan guaranteeing a payment of 2% of the highest average salary over three years for every year of service provided by the member. The fund is subject to the Pension Fund Act. The assets of the fund are held separately from the Group's assets in a dedicated trustee administered fund which is valued by independent professionally qualified actuaries. The Company policy is to pay over employer contributions to the fund monthly in line with the actuaries funding recommendations. The Trustees of the Pension Fund have invested these funds with portfolio managers who actively invest in marketable securities.

Other benefits of the pension fund are as follows:

- Disability benefit – 75% of the monthly pensionable salary
- Pre-retirement death benefit – cash lump sum of two times annual pensionable salary, a spouse's pension equal to 50% of the pension earned had the person retired at the date of death and a children's pension equal to 16,67% of the pension earned had the person retired at the date of death.

For members without dependents a cash lump sum of one times annual pensionable salary and a refund of contributions with interest.

The IAS 19 valuation done by the actuaries for the year ended 30 September 2016 reflects the following:

	2016	**2015**	**2014**	**2013**	**2012**
Actuarial assumptions used					
Discount rate per annum	8,89%	8,90%	8,70%	7,92%	7.41%
Expected return on plan assets per annum (Based on R186 Government bond)	9,20%	8,90%	8,70%	7,92%	7,41%
Future salary increases (varies, age related)	6,24% – 10,00%	7,40% – 9,00%	7,90% – 15,00%	6,29% – 15,00%	6,13% – 14,88%
Future pension increases per annum	4,70%	4,10%	3,50%	2,22%	1,71%
Consumer price inflation rate	6,24%	6,40%	6,90%	6,29%	6,13%
Membership					
Active members					
• Number	295	301	295	306	324
• Average age in years	46,0	46,8	47,9	48,7	48,1
Total annual pensionable salaries (R'000)	**66 008**	**65 394**	**63 249**	**61 424**	**62 398**
Beneficiaries of pensions					
• Number(*)	108	104	97	103	95
• Average age in years	64,5	63,4	66,0	65,8	67,5
Total annual pensions (R'000)	**4 970**	**4 063**	**3 551**	**3 313**	**3 099**

(*) The total number of Pension beneficiaries includes spouses and children which reduces the average age by 10,3 years (2014: 7,4 years).

	2016	2015	2014	2013	2012
Defined benefit retirement plan reconciliation					
Present value of obligations	(180 223)	(204 013)	(191 951)	(158 830)	(146 084)
Fair value of plan assets	214 895	225 593	214 684	190 748	151 098
Application of asset ceiling	(34 672)	(21 580)	(22 733)	(31 918)	(5 014)
Surplus value of the plan	–	–	–	–	–
Actuarial (gain)/loss on return on plan assets	8 751	(861)	(13 577)	(22 473)	(14 091)
Actuarial (gain)/loss on pension obligations	(6 209)	(4 857)	(9 988)	852	18 307
Change in valuation assumptions	(16 922)	6 898	30 564		
Adjustment experience gain on contingency reserve	–	–	–	–	–
Actuarial loss/(gain) for the year	**(14 930)**	**1 180**	**6 999**	**(21 621)**	**4 126**
Employers' best estimate of next year contribution	8 446	9 473	7 900	7 900	7 900
Movement in assets and liabilities for the year					
Plan assets					
Fair value off assets beginning year	225 594	214 684	190 748	151 099	133 597
Opening balance correction		–	699	4 684	–
Employer contributions	11 370	9 473	7 252	7 713	7 650
Employee contributions	7 686	5 929	4 045	4 317	4 281
Benefits paid, insured costs, expenses	(42 253)	(23 678)	(16 594)	(11 082)	(20 010)
Actual return fund assets	10 387	19 186	28 534	34 017	25 581
Net assets end of year	**214 940**	**225 594**	**214 684**	**190 748**	**151 099**
Accrued benefit obligation					
Beginning of year	204 013	191 951	158 830	146 084	118 139
Opening balance correction		–	–	(1 289)	–
Current service cost	15 927	14 797	14 425	10 255	8 427
Interest cost	18 452	16 700	12 579	10 684	10 089
Growth in TVCs		–	–	–	1 243
Benefits paid	(40 098)	(21 476)	(14 459)	(7 756)	(10 121)
Actuarial loss/(gain)	(6 209)	(4 857)	(9 988)	852	18 307
Change in valuation basis	(16 932)	6 898	30 564	–	–
Balance end of year	**175 153**	**204 013**	**191 951**	**158 830**	**146 084**

Asset ceiling	2016 R'000	2015 R'000
Effects of asset ceiling at start of year	21 580	22 733
Interest cost	1 918	1 978
Change in effect of asset ceiling	11 174	(3 131)
Effects of assets ceiling at end of year	**34 672**	**21 580**

The fund is fully funded. The fund was last fully actuarially valued by Simeka Consultants and Actuaries on the 1 October 2014 using an IFRS assessment. They concluded that the fund was 110% (2011: 100%) funded and recommended a solvency reserve of R28,4 million and a data reserve of R1,0 million.

The IAS 19 actuarial (gain)/loss on return on plan assets were calculated as the difference between the actual net investment return and the assumed investment return. During the valuation period, the investment gain was R10 388 000 (2015: R19 186 000), compared to the assumed investment return of R19 138 000 (2015: R18 325 000). The R6 209 000 actuarial gain (2015: R4 857 000 gain) on pension obligations is the effect of the change in actuarial valuation assumptions over the previous IAS 19 valuation report. During the year, the actuary reviewed the underlying actuarial/assumptions used in the past few years and concluded that they were 'aggressive' and has advised that the trustees consider correcting these. This resulted in a R6 898 000 reduction in the solvency reserve. The combination of these resulted in a net actuarial loss of R1 180 000 (2015: R6 999 000) which has been taken into consideration in the determination of the surplus value of the plan at 30 September 2016.

Refer to note 6 (employee benefits) for income statement of comprehensive income recognition of the calculation of current service cost for members of the defined benefit pension fund, including the actuarial gain/loss.

Analysis of the actuarial value assets making up the fund investments	2016 R'000	2015 R'000	2014 R'000	2013 R'000	2012 R'000
Cash and cash equivalents	33 443	34 607	15 400	16 136	14 589
Equity securities	138 195	113 506	93 663	111 741	90 614
Bonds	28 816	36 406	35 864	65 105	52 725
Property	4 605	19 923	3 605	2 136	1 704
Fund of hedge funds/other	25 001	22 229	70 316	300	–
(*Less*) benefits payable	(15 165)	(1 077)	(4 164)	(4 670)	(8 534)
Fair value of plan assets	**214 895**	**225 594**	**214 684**	**190 748**	**151 098**

Regulation 28 of the Pensions Fund Act (1956 as amended) regulates the maximum allocation of assets to any asset category. The Pensions Fund is in compliance with this regulation.

48. COMMITMENTS AND CONTINGENT LIABILITIES

Operating lease commitments comprise mainly property rentals of the Inmins branches and rentals of photocopiers, faxes and office equipment. No material lease restrictions have been agreed to and no contingent lease obligations exist. The Company and Group complies with the contractual obligations regarding terms and conditions of the rental Company. Escalations vary between 0 to 10%.

	Group 2016 R'000	2015 R'000
1 to 12 months	11 813	10 960
Between 1 and 2 years	10 967	10 576
Between 2 and 5 years	11 685	6 740
Greater than 5 years	–	–
Total operating lease commitments	**34 465**	**28 277**

Contingent liabilities and other commitments

Group capital commitments at year-end amounted to R1 671 033 (2015: R666 630) (plant, equipment and vehicles for existing operations). Contracted for R411 033 (2015: R416 630).

49. SEGMENTAL INFORMATION

Business segments	Flexible Packaging		Flexible Construction		Trading		Property and Group		Total	
R'000	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Revenue external	297 605	319 817	281 092	349 984	570 297	552 461	49	41	1 149 043	1 222 303
– Inter-segment	153 574	159 183	136 632	99 199	13 514	15 671	(303 720)	(274 053)	–	–
Total	**451 179**	**479 000**	**417 724**	**449 183**	**583 811**	**568 132**	**(303 671)**	**(274 012)**	**1 149 043**	**1 222 303**
Depreciation	7 589	7 367	5 091	5 003	1 809	1 837	426	250	14 915	14 457
Investment income	–	–	–	–	–	–	112	4 207	112	4 207
Interest expenses	1 858	12 907	2 077	5 634	3 153	4 622	(340)	(14 522)	6 748	8 641
Foreign exchange variance	–	–	1 010	(1 855)	–	–	–	–	1 010	(1 855)
Profit before tax	(30 966)	(14 222)	24 185	31 471	17 393	15 206	11 177	3 450	21 789	35 905
Capital expenditure	5 555	2 653	3 807	9 018	2 142	1 913	684	54	12 188	13 638
Total assets	**172 361**	**258 912**	**141 576**	**179 728**	**161 310**	**166 982**	**46 566**	**(7 042)**	**521 813**	**598 580**
Total liabilities	**90 173**	**123 866**	**63 339**	**97 293**	**63 494**	**113 094**	**(7 661)**	**(41 116)**	**209 345**	**293 137**

The business segments of the Winhold Group are split as follows, based on the nature of the market being serviced and, therefore the risks associated with the business segment:

Flexible Packaging – consists of manufacture of extruded flexible commercial and industrial packaging products manufactured at the Germiston and Swaziland sites such as Polyethylene bags, sheeting and pallet stabilisation products for chemical, food, processing, industrial customers

Flexible Construction – consists of manufacturers of extruded flexible sheeting for agricultural and construction markets manufactured at the Springs site including dam lining installation.

Trading – consists of the trading branches of Inmins (Mining and Industrial divisions) and the Gundle trading branches who sell own factory and bought out products.

Property and Group – Includes the property companies and Group-related items.

Geographical analysis has not been included as the Group's activities outside Southern Africa are not material. No material intersegment transactions occurred between reportable segments.

50. **FINANCIAL INSTRUMENTS**

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing these risks or the methods used to measure them from the prior period. The accounting policies for financial instruments have been applied to the line items below:

Financial instrument assets

Group R'000	**Loans and receivables**	**Fair value through profit and loss**	**Held to maturity**	**Total**
2016				
Investments	–	4 848	–	4 848
Trade and other receivables	165 062	–	–	165 062
Cash and cash equivalents	20 079	–	–	20 079
	185 141	**4 848**	**–**	**189 989**
2015				
Investments	–	3 871	34 303	38 174
Trade and other receivables	199 695	–	–	199 695
Cash and cash equivalents	8 221	–	–	8 221
Forward exchange assets	–	680	–	680
	207 916	**4 551**	**34 303**	**246 770**

Company R'000	**Loans and receivables**	**Held to maturity**	**Total**
2016			
Investments	–	–	–
Cash and cash equivalents	326	–	326
Loans to subsidiaries	41 690	–	41 690
	42 016	**–**	**42 016**
2015			
Investments	–	34 303	34 303
Cash and cash equivalents	327	–	327
Loans to subsidiaries	16 111	–	16 111
	16 438	**34 303**	**50 741**

Financial instrument liabilities

Group R'000	**Liabilities at amortised cost**
2016	
Interest-bearing borrowings (excluding bank overdraft)	29 183
Trade and other payables	122 989
Bank overdraft	–
	152 172
2015	
Interest-bearing borrowings (excluding bank overdraft)	64 078
Trade and other payables	155 282
Bank overdraft	12 975
	232 335

Company R'000	Liabilities at amortised cost
2016	
Loans to subsidiaries	41 129
	41 129
2015	
Loans to subsidiaries	40 735
	40 735

Fair value

There is no material difference between the carrying value and the fair value of financial instruments. The fair value of trade payables, trade receivables, cash and cash equivalents and bank overdrafts approximate fair value due to their short-term nature. The fair value of the other above assets and liabilities not at fair value through profit and loss all fall within category 3 'not based on observable market data', with investments at fair value through profit and loss falling within level 1 of the fair value hierarchy (refer to note 11).

51. RISK MANAGEMENT

The Group's activities expose it to a variety of risks, including interest risk, credit risk, liquidity risk, foreign exchange risk and supplier risk.

51.1 Credit risk

Credit risk arises on amounts receivable from trade and other receivables, investments, and cash equivalents deposited with banks. Credit facilities are given to a large number of customers, resulting in a spread of credit risk. Although in the Inmins Trading Proprietary Limited subsidiary the majority of debtors are in the mining industry, management is of the opinion that no material concentration of risk exists. Management evaluates credit risk relating to customers on an ongoing basis, and if customers are independently rated, these ratings are used. If there is no independent rating, Group businesses assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit is regularly monitored, and, in certain cases, credit guarantee policies are purchased.

	Sales to customer		Outstanding at	
Exposure to three largest customers	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Engineering Group 1		13 078		12 632
Cement Group 1		25 539		8 221
Consortium Group 1		25 926		7 142
Total		**64 543**		**27 995**

The Group only deposits funds with major banks with high quality credit standing and limits its exposure to any one bank. Investments comprise compulsory redeemable preference shares secured by designated notes issued by the Standard Bank of South Africa Limited and is considered by management to linked to the bank risk rate (refer to note 11). Financial assets exposed to credit risk at year-end were as follows:

Group	2016 R'000	2015 R'000
Cash and cash equivalents	20 079	8 221
Investments	4 848	38 174
Trade and other receivables	165 062	199 695
	189 989	**246 292**

Company	2016 R'000	2015 R'000
Cash and cash equivalents	326	327
Investments	–	34 303
Loans to subsidiaries	41 690	16 111
	42 016	**50 741**

51.2 **Liquidity risk**

Liquidity risk is the risk that the Group has insufficient funds available to settle its liabilities and borrowings on due date. The Group manages liquidity risk through an on going review of its future commitments and of the facilities available from banking institutions. The following table analyses the Group financial liabilities (including **unearned finance charges)** into relevant maturity Groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

Group 2016	0 – 6 months R'000	6 – 12 months R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Bank loans	–	–	–	–	–
Mortgage bonds	304	343	590	773	166
Suspensive sale contracts	10 370	4 314	4 739	3 456	–
Shareholder loan	–	–	–	–	–
Finance lease contracts	–	–	–	–	–
Bank overdrafts	–	–	–	–	–
Trade and other payables	122 989	–	–	–	–
Gross liquidity risk	**133 663**	**4 657**	**5 329**	**4 229**	**166**
Preference share investment	–	–	–	–	–
Sinking fund deposits	(4 848)	–	–	–	–
Forward exchange contracts	–	–	–	–	–
Cash and cash equivalents	(20 079)	–	–	–	–
Trade receivables	(165 062)	–	–	–	–
	(56 326)	**4 657**	**5 329**	**4 229**	**166**

Group 2015	0 – 6 months R'000	6 – 12 months R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Bank loans	35 172	–	–	–	–
Mortgage bonds	898	898	1 797	3 594	1 377
Suspensive sale contracts	5 123	4 716	14 399	4 629	–
Shareholder loan	–	–	–	–	–
Finance lease contracts	–	–	–	–	–
Bank overdrafts	12 975	–	–	–	–
Trade and other payables	155 282	–	–	–	–
Gross liquidity risk	**209 450**	**5 614**	**16 196**	**8 223**	**1 377**

Group 2015	0 – 6 months R’000	6 – 12 months R’000	Between 1 and 2 years R’000	Between 2 and 5 years R’000	Over 5 years R’000
Preference share investment	(34 414)	–	–	–	–
Sinking fund deposits	(3 871)	–	–	–	–
Forward exchange contracts	(680)	–	–	–	–
Cash and cash equivalents	(8 221)	–	–	–	–
Trade receivables	(199 695)	–	–	–	–
	(37 431)	**5 614**	**16 196**	**8 223**	**1 377**

Company 2016	0 – 6 months R’000	6 – 12 months R’000	Between 1 and 2 years R’000	Between 2 and 5 years R’000	Over 5 years R’000
Trade and other payables	–	–	–	–	–
Group loans	–	41 129	–	–	–
Gross liquidity risk	**–**	**41 129**	**–**	**–**	**–**
Preference share investment	–	–	–	–	–
Cash and cash equivalents	(326)	–	–	–	–
	(326)	**41 129**	**–**	**–**	**–**

Company 2015	0 – 6 months R’000	6 – 12 months R’000	Between 1 and 2 years R’000	Between 2 and 5 years R’000	Over 5 years R’000
Trade and other payables	–	–	–	–	–
Group loans	–	40 735	–	–	–
Gross liquidity risk	**–**	**40 735**	**–**	**–**	**–**
Preference share investment	(34 414)	–	–	–	–
Cash and cash equivalents	(327)	–	–	–	–
	(34 741)	**40 735**	**–**	**–**	**–**

The Group Financial Director actively manages funding requirements based on budgets received from operating entities adjusted for experience adjustments. Typically the Group uses overdraft facilities to finance working capital movements. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. The Group has the following general banking overdraft facilities which include covenants and restrictions on granting security, typical of banking ‘demand facilities’:

Inmins R5,0 million secured by debtors and a negative pledge over the rest of assets not subject to specific asset-based finance.

c. Gundle R64.0 million. This is currently secured by cession of debtors (note 13) and a negative pledge over assets. In addition to the overdrafts, Gundle has utilised R4,9 million of facilities to secure letters of credit and forward exchange contracts. At the year-end the facility utilisation was R12,3 million. The losses in Germiston and Swaziland have resulted in some ‘technical’ covenant breaches and the Group is currently negotiating with the bank to condone these.

51.3 **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity input prices, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has engaged an outsourced Currency Risk Manager (Forstrat) to manage its foreign exchange exposures on a risk versus time basis. Forstrat buys foreign currency derivatives in order to manage foreign exchange risks when pre-set trigger levels are hit. Such transactions are carried out within the guidelines set by the Group treasury.

The Group’s interest rate risk arises from variable rate borrowings and bank overdrafts. Due to the fact that certain borrowings are linked to the prime overdraft rate, changes in the interest rate could have a significant effect on the Group’s profitability. The Group manages its interest rate exposure by ensuring all interest-bearing borrowings are at or below market rates, or by fixing the rates at favourable terms. If interest rates on variable rate borrowings changed by 1% at the applicable rate at year-end, with all other variables held constant, the impact on post tax profits would be R362 850 (2014: R528 300). Details and capital maturity profiles of the interest-bearing borrowings are detailed in note 15.

The Group does not enter into interest rate and fuel oil swaps to manage its exposure to fluctuations in interest rates and the oil price on diesel fuels.

The Group does not enter into commodity contracts other than to meet the Group’s expected usage requirements; such contracts are not settled net.

51.4 **Foreign exchange risk**

The Group is exposed to foreign exchange risk in purchases that are denominated in foreign currencies, mainly US Dollars and Euro, liabilities to be settled at year-end in one of these foreign currencies and utilises a US Dollar-denominated bank account. Foreign currency denominated sales and receivables are not material. Management has set up policies and procedures to manage its foreign exchange risk. These include the use of forward exchange contracts and professional expert management of the Group’s currency exposure by a third party as described in [51.3] above.

At 30 September, the Group had the following foreign currency denominated liabilities/assets.

	Trade receivables		**Trade payables**	
Group	**2016 ’000**	**2015 ’000**	**2016 ’000**	**2015 ’000**
US Dollar	–	298	1 065	736
Euro	–	–	265	1 168
Emalangeni	11 909	–	10 601	8 563
GBP	–	–	–	20

The Group’s commitment to open forward exchange contracts as at 30 September 2016 was as follows:

Group	**Amount ’000**	**Settlement dates**	**Average exchange rates**
US Dollar		1 to 3 months	547
Euro		1 to 3 months	43

Excess forward cover relates to fixed and firm orders in foreign currencies, not yet a liability to the Group. If foreign exchange rates change by 10% and were applied to the outstanding balances as at 30 September 2016, with all other variables held constant, the impact on post tax profits would be:

Group	**Strengthening of the Rand by 10% R'000**	**Weakening of the Rand by 10% R'000**
Increase/(decrease) in post-tax profits		

	2016	**2015**
Foreign currency exchange rates		
The following exchange rates were used in the conversion of foreign transactions at 30 September		
Rand/Dollar		
– Closing rate	13,83	13,89
– Average rate	14,79	12,01
Rand/Euro		
– Closing rate	16,01	15,58
– Average rate	16,12	13,77
GBP		
– Closing rate	–	21,05
– Average rate	–	18.55

51.5 **Supplier risk**

Certain large local suppliers are of strategic importance, but can be replaced in the medium term if necessary. Sasol Limited is the only local supplier of key raw materials in the manufacture of Plastic Sheeting and are preferred because of short delivery turnarounds, but the product is available from many overseas manufacturers albeit with six to eight-week lead times. Sasol again had a production problem in the current financial year but the Group was able to mitigate the losses to a large extent and, as the whole market was affected, no material sales were lost to the Group.

52. CAPITAL MANAGEMENT

The Board of Director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence while also being able to sustain future development of the businesses. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding minority interests. The Group's objective is to maintain a distribution cover of approximately 2,7 (two point seven) times headline earnings subject to funds being available for the foreseeable future. The methods of distributions take into account prevailing market conditions, future cash requirements of the businesses, Group liquidity requirements, as well as capital adequacy ratios. The 2016 year's distribution cover is approximately 3,3 times (2015: 2, times 7).

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of gearing and the advantages and security afforded by a sound equity position. The Group's target is to achieve a return on shareholders' interest of between 12% and 20%. In 2016 the return was 5,5% (2015: 9,4%).

From time to time the Group purchases its own shares on the market. These shares were acquired when excessive discounts to net asset values were determined by the Directors, are held as 'treasury stock', are not cancelled and are available for sale for future funding requirements.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. Due to the subsidiary funding structure, the Group has principally maintained a target debt/ equity ratio of 90%, however, in the trading and services business of these subsidiaries, this debt/equity ratio is a poor measure of the funding capacity of the Group. In order to ensure that a more reflective measure of debt capacity in the trading operations is utilised, the Group has adopted an interest cover target of five times. Interest cover for the year to 30 September 2016 was only 4,3 times (2015: 4,9 times).

53. **RELATED PARTIES**

Identity of related parties

The Group has a related party relationship with its subsidiaries, associates, joint ventures and key management. Key management personnel have been identified as the Executive and Non-Executive Directors of the Company. The definition of key management includes the close family members of key management personnel and any other entity over which key management exercises control. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. This may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel. Directors of the Company and their immediate relatives beneficially control 46,9% (2015: 46,9%) of the voting shares of the Company.

Independent Non-Executive Directors do not participate in the Group's profits. The Group has no share option, share purchase schemes or conditional share awards schemes. Details pertaining to Executive Directors' remuneration are set out in the Remuneration Report in tables 1 to 3 below. All Director's remuneration is short-term.

The Group encourages its employees to purchase goods and services from group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's length basis, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at year-end.

Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level. Certain of the Directors of the Group are also Non-Executive Directors of other public companies which may transact with the Group. The relevant Directors do not believe they have significant influence over the financial or operational policies of those companies. Those companies are thus not regarded as related parties.

The following transactions were made on terms equivalent to those that prevail in arm's length transactions between subsidiaries of the Group and key management personnel (as defined above) and/or organisations in which key management personnel have significant influence. Balances between related parties are disclosed in note 10.

Table 1: Executive Directors' remuneration (R'000)

	Short-term remuneration portion					Post-employment portion
Name	**Basic salary**	**Car allowance**	**Total fixed remuneration**	**Total flexible remuneration**	**Total fixed and flexible remuneration**	**Benefit fund contributions**
W Fourie	2 044	224	2 268	1 252	3 520	327
Total 2016	**2 044**	**224**	**2 268**	**1 252**	**3 520**	**327**
W Fourie	1 967	174	2 141	–	2 141	359
G Scrutton	1 517	200	1 717	650	2 367	301
Total 2015	**3 484**	**374**	**3 858**	**650**	**4 508**	**660**

Table 2: Key management's remuneration (R'000)

	Short-term remuneration portion					Post-employment portion
Name	**Basic salary**	**Car allowance**	**Total fixed remuneration**	**Total flexible remuneration**	**Total fixed and flexible remuneration**	**Benefit fund contributions**
Total 2016	**3 807**	**680**	**4 487**	**436**	**4 923**	**629**
Total 2015	**3 887**	**585**	**4 472**	**917**	**5 389**	**593**

Table 3: Non-Executive Directors' remuneration (R'000)

Name	Directors' fees	Committee fees	Total remuneration
WAR Wenteler	424	–	424
M Fry	70	42	112
H Jeena	112	62	174
R Naidoo	145	134	279
PC Nash	104	103	207
Total 2016	**855**	**341**	**1 196**
WAR Wenteler	400	–	400
H Jeena	10	10	20
NP Mnxasana	27	23	50
R Naidoo	125	129	254
PC Nash	85	102	187
Total 2015	**647**	**264**	**911**

	Group		Company	
	2016 R'000	**2015 R'000**	**2016 R'000**	**2015 R'000**
Transactions with associates				
– Purchases	–	1 548	–	–
– Outstanding amounts due to the Group at year-end included in advances to associates	121	121	–	121
– Guarantees issued				

Details of investment and effective interest in associates and subsidiaries are disclosed in notes 9 and 10.

54. GOVERNMENT GRANTS

	Group	
	2016 R'000	**2015 R'000**
Grant received for assets purchased(*)	2 628	–
Grant realised as income(**)	3 514	–
	6 412	–

(*) *A grant was received from the Department of Trade and Industry as part of a refund on capital investment at an existing plant. This grant was set off against the original cost price of the plant and equipment purchased.*

(**) *The grant realised as income was for funds received from the Department of Trade and Industry for expenses relating to training (R376 021) and business consulting services (R3 137 962).*

55. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Boards of Directors has considered the Group's critical accounting policies, key sources of uncertainty and are where critical accounting judgements were required in applying the Group's accounting policies.

Critical accounting policies

The audit committee is satisfied that the critical accounting policies are appropriate to the Group.

Critical accounting estimates in applying the Group's accounting policies

Estimates made in the application of the accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Control

The Group owns 74,9% of Gundle Plastics Group Proprietary Limited and 74,9% of Inmins Trading Proprietary Limited. The Group's voting rights are proportionate to the shareholding and it therefore has the ability to use its power over these entities to affect the returns that Winhold earns from its investment.

Trade receivables and loans receivable

The Group assesses its trade receivables and loan receivable for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Group makes a judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Management identifies impairment of trade receivables on an ongoing basis. An impairment allowance in respect of doubtful debts is raised against trade receivables when their collectability is specifically considered to be irrecoverable. Management believes that the impairment adjustment is conservative and there are no significant trade receivables that are doubtful and have not been impaired or allowance provided for. In determining whether a particular receivable could be doubtful, the age, customer's current financial status and disputes with the customer are taken into consideration (refer to note 13).

Allowance for slow-moving, damaged and obsolete inventories

Inventories are assessed on a continuous basis in order to ensure that it is correctly valued at the lower of cost and net realisable value. A provision is made against inventories when it is determined to be incorrectly valued as a consequence of changes in market conditions or it is considered to be damaged or unuseable. Write downs are included in cost of sales (refer to note 12).

Impairment testing

Management used their judgement and applied the internal and external impairment indicators to investments and property, plant and equipment, other than to set out above (goodwill impairment), no impairment indicators were identified and as such the recoverable amounts of the aforementioned assets were not calculated.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including, but not limited to, entity specific variables, i.e. production estimates, supply and demand, together with economic factors such as exchange rates, inflation, interest and commodity prices.

Property, plant and equipment

The Group depreciates its assets over their estimated useful lives taking into account residual values, where appropriate. In terms of IAS 16 – Property, Plant and Equipment, the appropriateness of the Group's assets estimated useful lives is reassessed annually. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Future reviews of estimated useful lives are not expected to result in a significant adjustment to future depreciation charges and are limited to the extent of changes to the abovementioned factors, namely technological innovation, product life cycles and maintenance programmes (Refer to note 7).

Deferred taxation

Deferred tax is provided for on a basis that is reflective of management's intention at year-end relating to the expected manner of recovery of the carrying amount of the asset, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability (refer to note 3).

Income taxes

Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether and when additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (refer to note 3).

Impairment of goodwill

The Group has assessed the carrying value of goodwill to determine whether any of the amounts have been impaired. The carrying values were assessed on the value in use, using the price earnings method adjusted for non-recurring items with cognisance taken of the forecasts for future years (refer to note 8).

Investments

Investments that the Group has the positive intent and ability to hold to maturity are reflected at fair value. The Directors' value of unlisted investments was determined using a combination of discounted cash flow, net asset value and price earnings methods (refer to note 11).

Post-retirement obligations

The Group provides retirement benefits for certain of its permanent employees through pension's funds with defined benefit and defined contribution categories. Actuarial valuations are based on assumptions which include the discount rate, inflation rate, salary increase rate, expected return on plan assets and the pension increase allowance rate (refer to note 18).

56. DETERMINATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Goodwill

The fair value of Goodwill is based on the above expectation discounted cash flows adjusted for non-recurring items (refer to note 8).

Investments

Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the reporting date. Fair value of unlisted investments is determined by using appropriate valuation models (refer to note 11).

Forward exchange contracts

The fair value of forward exchange contracts is based on their listed market prices (refer to note 22.4).

Borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. The carrying value of the bank overdrafts is the fair value (refer to note 15).

57. NEW STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2016. These include the following standards and interpretations and amendments to standards that are applicable to the business of the Group, and have not been applied in preparing these consolidated financial statements:

IFRS 9 – Financial instruments

The revised statement is effective for the Group for the year ending 30 September 2018, with restatement of comparatives required subject to transitional provisions.

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

In addition, IFRS 9 addresses the initial measurement and classification of financial liabilities and will replace the relevant sections of IAS 39. The classification and measurement of financial liabilities are the same as IAS 39 except that fair value changes for financial liabilities designated at fair value through profit or loss, attributable to changes in the credit risk of the liability, will be presented in other comprehensive income and derivative financial liabilities linked to and settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured, are measured at fair value.

The amendment is not expected to impact the Group's results significantly.

IFRS 15 – Revenue from contracts with customers

The new statement is effective for the Group for the year ending 30 September 2018, with restatement of comparatives required subject to transitional provisions.

IFRS 15 establishes a single, comprehensive and robust framework for the recognition, measurement and disclosure of revenue.

The new statement is not expected to impact the Group's results significantly.

Non-applicable standards, amendments and interpretations

The other remaining standards, amendments and interpretations issued but not yet effective have been assessed for applicability to the Group and management has concluded that they are not applicable to the business of the Group and will therefore have no impact on future financial statements.

58. GOING CONCERN

As set out in the Directors' Report (no longer reported on by the Auditors) the Directors formally assessed the "Going Concern Assessment" at the Board meeting on 19 November 2015 and passed, without objection or abstention, a resolution that the Group was a going concern.

59. SUBSEQUENT EVENTS

These Financial Statements were approved by the Directors on 16 December 2016 which gave the chairman and Chief Executive Officer the authority to approve the financial statements.

As set out in the Directors' Report there are no material events after the reporting period and the date of this report.

INTERIM FINANCIAL INFORMATION OF WINHOLD

BASIS OF PREPARATION

The interim financial information of Winhold has been extracted and compiled from the interim results of Winhold for the six-months ended 31 March 2017. The preparation of this **Annexure 3** is the responsibility of the Directors of Winhold.

STATEMENT OF RESULTS

Unaudited condensed interim consolidated results of the group for the six-months ended 31 March 2017

12 months ended 30 September 2016 R'000		Six months ended 31 March 2017 R'000	Six months ended 31 March 2016 R'000
1 149 043	**External revenue**	564 375	551 885
28 324	Operating profit	15 868	3 977
112	Investment income	–	1 085
–	Profit on sale of property, plant and equipment	–	–
(6 647)	Net finance costs	(1 772)	(3 927)
21 789	**Profit before taxation**	**14 096**	**1 135**
(2 687)	Taxation	(4 037)	(309)
529	Share of associates profit after tax	412	274
19 631	**Profit for the period**	**10 471**	**1 100**
2 949	Profit attributable to non controlling interests	2 045	(859)
16 682	Profit attributable to equity holders of the parent	8 426	1 959
	Other comprehensive income		
(3 771)	Actuarial re-measurement defined benefit Pension fund excluding tax	–	–
15 860	**Total comprehensive income for the period**	**10 471**	**1 100**
2 949	Attributable to non-controlling interests	2 045	(859)
12 911	**Total comprehensive income attributable to equity holders of the parent**	**8 426**	**1 959**
13,3	Earnings and diluted earnings per ordinary share (cents)	6,7	1,6
13,1	Headline and diluted earnings per ordinary share (cents)	6,7	1,6
125 506	Weighted average ordinary shares adjusted for treasury stock (000's)	125 506	125 506
126 215	Total ordinary shares issued (000's)	126 215	126 215
14 915	Total depreciation and amortisation	8 182	7 959
43 239	EBITDA	24 050	11 936
	Reconciliation of headline earnings		
12 911	– Comprehensive income for the period	8 426	1 959
3 771	– Other comprehensive income	–	–
(83)	Profit on disposal of fixed assets	–	–
23	Taxation effects of the above	–	–
16 622	**Total headline earnings**	**8 426**	**1 959**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

12 months ended 30 September 2016 R'000		Six months ended 31 March 2017 R'000	Six months ended 31 March 2016 R'000
	ASSETS		
127 774	Fixed assets	124 982	129 974
3 478	Investments and loans	3 409	3 223
19 541	Goodwill	19 541	19 541
20 101	(Net) deferred taxation	16 911	19 554
350 919	**Current assets**	**323 290**	**347 514**
155 803	– inventory	159 977	174 644
175 037	– receivables	154 138	157 960
–	– unlisted investments	–	5 333
20 079	– bank and cash	9 175	9 577
521 813	**Total assets**	**488 133**	**519 806**
	EQUITY AND LIABILITIES		
122 793	Ordinary share capital and premium	122 793	122 793
183 649	Retained earnings	187 026	168 926
(5 538)	Actuarial reserves	(5 538)	(1 767)
300 904	Equity attributable to owners of the parent	304 281	289 952
11 564	Non-controlling interests	13 609	7 756
312 468	**Total equity**	**317 890**	**297 708**
	Non-current liabilities		
14 711	– interest-bearing	14 601	23 114
3 315	– interest-free	–	–
3 562	– deferred taxation	–	–
187 757	**Current liabilities**	**155 642**	**198 984**
	interest-bearing		
–	– bank overdraft	568	16 136
14 473	– short-term borrowings	8 199	8 199
	interest-free		
173 284	– payables and provisions	146 875	174 649
521 813	**Total equity and liabilities**	**488 133**	**519 806**
	Supporting information		
1 671	Capital commitments at period end	–	1 492
12 188	Capital expenditure during the period	5 576	4 190
29 184	Total interest-bearing borrowings	23 368	47 449
20 079	Total interest earning deposits	9 175	9 577
239,8	Net asset value per share (cents)	242,4	231,0
39 642	Total intangible assets	19 541	19 541
208,2	Tangible net asset value per share (cents)	226,9	215,5
5,5	Return on equity (%)	5,5	1,4
3,8	Return on assets (%)	4,3	0,3

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

12 months ended 30 September 2016 R'000		Six months ended 31 March 2017 R'000	Six months ended 31 March 2016 R'000
	Equity attributable to holders of the parent		
296 828	Opening balance	300 904	296 828
12 911	Total comprehensive income for the period	8 426	(6 876)
(8 835)	Dividend paid	(5 049)	–
300 904	**Balance at the end of the year**	**304 281**	**289 952**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

12 months ended 30 September 2016 R'000		Six months ended 31 March 2017 R'000	Six months ended 31 March 2016 R'000
34 319	**Cash flow from operating activities**	**3 547**	**6 040**
39 634	Cash flow from trading	24 049	13 061
14 956	Changes in working capital	(9 213)	8 104
(6 647)	Net finance costs	(1 772)	(3 967)
274	Dividends from associates	412	–
(8 835)	Dividends paid	(5 049)	(8 835)
(5 063)	Taxation paid	(4 880)	(2 323)
25 409	**Cash flow from investing activities**	**(5 320)**	**24 920**
(7 917)	Net Investment in fixed assets	(5 389)	(7 921)
(33 326)	Proceeds from loans receivable	69	32 841
(34 895)	**Cash flow from financing activities**	**(9 699)**	**(32 765)**
–	Interest-bearing borrowings raised	–	–
(34 895)	Interest-bearing loans repaid	(9 699)	(32 765)
24 833	**Net increase/(decrease) in cash**	**(11 472)**	**(1 805)**

CONDENSED CONSOLIDATED STATEMENT OF SIX MONTHLY SEGMENT RESULTS

	Flexible Packaging		Flexible Construction		Trading	
	First Half 2017 R'000	**First Half 2016 R'000**	**First Half 2017 R'000**	**First Half 2016 R'000**	**First Half 2017 R'000**	**First Half 2016 R'000**
Revenue external	144 428	159 250	133 898	113 984	286 048	278 650
Revenue inter segment	81 559	83 637	63 057	66 500	6 220	6 990
Depreciation	4 064	3 890	2 977	3 004	998	917
Profit before tax	(2 252)	(15 123)	8 264	8 356	11 837	5 350
Capital expenditure	1 413	331	1 644	2 209	2 519	1 469
Total assets	**183 794**	**220 011**	**156 474**	**173 198**	**167 069**	**164 723**
Total liabilities	**90 329**	**101 471**	**80 838**	**92 384**	**97 074**	**77 228**

BASIS OF PREPARATION AND ASSURANCE

These condensed consolidated Group interim financial statements for the six-months ended 31 March 2017 have been prepared in accordance with the framework concepts and recognition requirements of the *International Financial Reporting Standards* ("**IFRS**") *Interim Financial Reporting Standard* ("**IAS 34**"), *the SAICA Financial Reporting Guidelines* as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, in compliance with the Companies Act 2008, as amended, and the Listings Requirements of the Johannesburg Stock Exchange ("**the Listings Requirements**"). The accounting policies are consistent with those used in the prior year. The preparation of the financial statements has been supervised by the CEO, Mr W Fourie CA(SA). These interim financial statements have not been audited or reviewed by the Group's auditors.

FOREIGN WINHOLD SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

1. FOREIGN WINHOLD SHAREHOLDERS

The Scheme may be affected by the laws of the relevant jurisdiction of a Foreign Winhold Shareholder. A Foreign Winhold Shareholder should acquaint itself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign Winhold Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.

The Scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

Any Winhold Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Scheme Participants. Scheme Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

2.1 Residents of the Common Monetary Area

In the case of:

2.1.1 Own-name Scheme Participants holding Winhold Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration will be posted to such Offer Participants; or

2.1.2 Scheme Participants whose Winhold Shares are held by CSDPs or Brokers on their behalf as nominees and whose registered addresses in the sub-Register managed by CSDPs or Brokers are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration will reflect in the account nominated for the relevant Scheme Participant by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

2.2 Emigrants from the Common Monetary Area

2.2.1 The Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

2.2.2 The Scheme Consideration due to an own-name Offer Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the authorised dealer in foreign exchange in South Africa controlling the Scheme Participant's blocked assets in accordance with his instructions, against delivery of the relevant Documents of Title.

2.2.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the Scheme Consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is however no longer the position and the Scheme Consideration may, on application, be externalised free of the levy.

2.2.4 The authorised dealer releasing the relevant documents of title in terms of the Scheme must countersign the form of surrender (*blue*) thereby indicating that the Scheme Consideration will be placed directly in its control.

2.2.5 The attached form of surrender (*blue*) makes provision for the details of the authorised dealer concerned to be provided.

2.3 **All other non-residents of the Common Monetary Area**

2.3.1 The Scheme Consideration due to an own-name Scheme Participant who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Scheme Participant. It will be incumbent on the Scheme Participant concerned to instruct the nominated authorised dealer as to the disposal of the Scheme Consideration against delivery of the relevant Documents of Title.

2.3.2 The form of surrender (*blue*) attached to this Circular makes provision for the nomination required in terms of paragraph 2.3.1 above. If the information regarding the authorised dealer is not given in terms of paragraph 2.3.1 above, the Scheme Consideration will be held in trust by Winhold for the Scheme Participants concerned pending receipt of the necessary information or instruction.

WORDING OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

“Section 115: Required approval for transactions contemplated in Part A

(1) Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its Board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless –

(a) the disposal, amalgamation or merger, or scheme of arrangement –

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to –

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved –

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company’s Memorandum of Incorporation, as contemplated in section 64(2); and

(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the Company’s holding company if any, if –

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if –

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the Company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights –

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the Company must either –

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant –

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if –

(a) the resolution is manifestly unfair to any class of holders of the Company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the Company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person –

(a) notified the Company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect –

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164: Dissenting shareholders appraisal rights

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to –

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in section 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the Company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the Company must send a notice that the resolution has been adopted to each shareholder who –

(a) gave the Company a written notice of objection in terms of subsection (3); and

(b) has neither –

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the Company pay the shareholder the fair value for all of the shares of the Company held by that person if –

(a) the shareholder –

(i) sent the Company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the Company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the Company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder –

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)*(a)*(i) does not apply if the Company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the Company within –

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state –

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless –

(a) the shareholder withdraws that demand before the Company makes an offer under subsection (11), or allows an offer made by the Company to lapse, as contemplated in subsection (12)(b);

(b) the Company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the Company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of –

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the Company received a demand as contemplated in subsection (7)(b), if applicable, the Company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the Company's Directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11) –

(a) in respect of shares of the amended class or series must be on the amended terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12) –

(a) the shareholder must either in the case of –

(i) shares evidenced by certificates, tender the relevant share certificates to the Company or the Company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the Company or the Company's transfer agent; and

(b) the Company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and –

(i) tendered the share certificates; or

(ii) directed the transfer to the Company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the Company to pay the shareholder the fair value so determined, if the Company has—

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14) –

(a) all dissenting shareholders who have not accepted an offer from the Company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the Company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court –

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may –

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the Company, and the final determination of the fair value by the court; and

(v) must make an order requiring –

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the Company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the Company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the Company in terms of subsection (11), in which case –

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the Company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the Company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the Company being unable to pays its debts as they fall due and payable for the ensuing 12 months –

(a) the Company may apply to a court for an order varying the Company's obligations in terms of the relevant subsection; and

(b) the court may make an order that –

(i) is just and equitable, having regard to the financial circumstances of the Company; and

(ii) ensures that the person to whom the Company owes money in terms of this section is paid at the earliest possible date compatible with the Company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the Company to amalgamate or merge with one or more other companies, such that the Company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the Company, or an acquisition of its shares by the Company within the meaning of section 48, and therefore are not subject to –

(a) the provisions of that section; or

(b) the application by the Company of the solvency and liquidity test set out in section 4.

(20) Except to the extent –

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

WINHOLD

WINHOLD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1945/019679/06)
("Winhold" or "the Company")
Share code: WNH ISIN Code: ZAE000033916

NOTICE OF SCHEME MEETING OF SCHEME MEMBERS

NOTICE IS HEREBY GIVEN that a Scheme Meeting of Scheme Members will be held at **10:00** on **Thursday, 31 August 2017** at 884 Linton Jones Street, Industries East, Germiston.

Purpose

The purpose of the Scheme Meeting is to consider and, if deemed fit, to approve, with or without modification, the resolutions set out in this notice of scheme meeting.

Note:

- *The definitions and interpretations commencing on page 8 of the Circular to which this notice of General Meeting is attached ("**the Circular**"), apply mutatis mutandis to this notice and to the resolutions set out below.*
- *For a special resolution to be approved by Scheme Members, it must be supported by at least 75% of the voting rights exercised on the resolution. For an ordinary resolution to be approved by Scheme Members, it must be supported by more than 50% of the voting rights exercised on the resolution.*
- *Quorum requirement for the Scheme Meeting: sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the resolutions.*
- *The date on which Scheme Members must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 14 July 2017.*

SPECIAL RESOLUTION – Approval of the Scheme in terms of sections 114 and 115 of the Companies Act

"RESOLVED THAT the Scheme in terms of section 114 of the Companies Act proposed by the Winhold Board between the Company and the Scheme Members in terms of which Wafi ma will, if such Scheme becomes operative, acquire all the issued Winhold Shares (apart from the 709 345 treasury shares held by Winhold and save for those Winhold Shares currently held by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 of the Circular) for the Scheme Consideration for each Scheme Share disposed of in terms of the Scheme and the subsequent termination of the listing of the Winhold Shares on the JSE, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act".

Reason for and effect

Scheme Members are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

ORDINARY RESOLUTION NUMBER 1 – Termination of listing of Winhold Shares on the JSE

"**RESOLVED THAT**, subject to the aforesaid Special Resolution Number 1 being approved by the requisite majority of Scheme Members, any one Director or the Company secretary of the Company be and is hereby authorised to do all such things and to sign all such documents as may be required to implement the Scheme and to procure the de-listing of the Winhold Shares from the JSE."

Reason and effect

The reason for and effect of Ordinary Resolution Number 1 is that, after the implementation of the Scheme, the Winhold Shares will be delisted from the JSE and any one Director or the Company secretary is hereby authorised to do all such things and to sign all such documents as may be required to implement the Scheme and the de-listing of Winhold from the JSE.

VOTING AND PROXIES

The date on which Scheme Members must be recorded in the Register for purposes of being entitled to attend and vote at the Scheme Meeting, is Friday, 18 August 2017. The last day to trade in order to be entitled to attend and vote at the Scheme Meeting is Tuesday, 22 August 2017.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Scheme Meeting and must accordingly bring a copy of their identity document, passport or drivers' licence to the Scheme Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

A Scheme Member entitled to attend, speak and vote at the Scheme Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of Certificated Scheme Members and Dematerialised Scheme Members with own-name registration, a form of proxy (*pink*) is attached hereto. Completion of a form of proxy will not preclude such Scheme Member from attending and voting (in preference to that shareholder's proxy) at the Scheme Meeting.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries of the Company at the address given below by not later than 48 hours before the commencement of the Scheme Meeting (or any adjournment of such Scheme Meeting), excluding Saturdays, Sundays and official public holidays or, alternatively, such forms of proxy may be handed to the Chairman of the Scheme Meeting immediately prior to the commencement of the voting at the Scheme Meeting.

Dematerialised Scheme Members without own-name registration who wish to attend the Scheme Meeting in person should request their CSDP or Broker to provide them with the necessary Letter of Representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Scheme Members without own-name registration who do not wish to attend but wish to be represented at the Scheme Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Scheme Members without own-name registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before the aforesaid Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to such Special Resolution Number 1.

Within ten business days after the aforesaid Special Resolution has been approved, the Company must send such notice that Special Resolution has been approved to each Winhold Shareholder who:

- gave the Company a written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against the aforesaid Special Resolution.

A Winhold Shareholder may, within 20 business days after receiving the Company's aforementioned notice of the approval of the Special Resolution Number 1, demand that the Company pay such Winhold Shareholder the fair value for all of the Winhold Shares of the Company held by that person if:

- the Winhold Shareholder has sent the Company a notice of objection;
- the Special Resolution has been approved; and
- the Winhold Shareholder voted against the Special Resolution and has complied with all of the procedural requirements of section 164 of the Companies Act.

The wording of section 164 of the Companies Act is set out in **Annexure 5** to the Circular.

SIGNED at Johannesburg on behalf of the Board of Directors of the Company on 28 July 2017.

By order of the Board

GJ O'Connor
Company secretary

Registered Office
884 Linton Jones Street
Industries East
Germiston 1401
(PO Box 5324, Johannesburg 2000)

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
(PO Box 61051, Marshalltown 2107)

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REF. JOB013723

WINHOLD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1945/019679/06)
("Winhold" or "the Company")
Share code: WNH ISIN Code: ZAE000033916

FORM OF PROXY IN RESPECT OF THE SCHEME MEETING – ONLY FOR USE BY CERTIFICATED SCHEME MEMBERS AND DEMATERIALISED SCHEME MEMBERS WITH OWN-NAME REGISTRATION

For use by Scheme Members at the Scheme Meeting convened in terms of the Companies Act to be held at 10:00 on Thursday, 31 August 2017 at 884 Linton Jones Street, Industries East, Germiston or any adjourned or postponed meeting.

*The definitions and interpretations commencing on page 8 of the Circular to which this form of proxy is attached ("**the Circular**") apply mutatis mutandis to this form of proxy.*

If you are a Dematerialised Winhold Scheme Member without own-name registration you must not complete this form of proxy but must instruct your CSDP or Broker as to how you wish to vote. This must be done in terms of the Custody Agreement between you and your CSDP or Broker.

I/We (Please PRINT names in full)

of (address)

Telephone work ( ) Telephone home ( )

Cellphone number Email address

being the holder(s) of [ ] Certificated Scheme Shares or Dematerialised Scheme Shares with own-name registration

do hereby appoint (see notes 1 and 2):

1. or failing him/her,
2. or failing him/her,
3. the Chairman of the Scheme Meeting

as my/our proxy to attend, speak and vote for me/us at the Scheme Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s), in accordance with the following instruction (see notes):

	For	Against	Abstain
Special Resolution Number 1 Approval of scheme of arrangement between Winhold and Scheme Members			
Ordinary Resolution Number 1 Authority granted to implement the Scheme and the de-listing of Winhold Shares			

* One vote per Scheme Share held by Scheme Members. Scheme Members must insert the relevant number of votes they wish to vote in the appropriate box provided.

Signed at: on 2017

Signature

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached – see notes 8 and 9.

Assisted by me (where applicable)

Full name

Capacity

Signature

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Winhold Shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.*
- *A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.*
- *A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.*
- *Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.*
- *Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.*
- *If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.*
- *A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.*
- *If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:*
  - *the relevant shareholder; or*
  - *the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Scheme Member is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Winhold Shareholder to attend, speak and vote in place of that Scheme Member at the Scheme Meeting.
2. A Scheme Member may insert the name of a proxy or the names of two alternative proxies of the Scheme Member's choice in the space/s provided with or without deleting "the Chairman of the Scheme Meeting" but the Scheme Member must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the Scheme Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Scheme Member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Scheme Member in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the Scheme Meeting if the chairman is the authorised proxy, to vote in favour of the Scheme, or any other proxy to vote or abstain from voting at the Scheme Meeting as he/she deems fit, in respect of all the Scheme Member's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (P O Box 61051, Marshalltown 2107), to be received by them by no later than 48 hours before the commencement of the Scheme Meeting (or any adjournment of the Scheme Meeting), excluding Saturdays, Sundays and official public holidays or, alternatively, such form of proxy may be handed to the Chairman of the Scheme Meeting prior to the commencement of the Scheme Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant Scheme Member from attending the Scheme Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Scheme Member wish to do so.
6. The chairman of the Scheme Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of Winhold.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Winhold or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Winhold or the Transfer Secretaries or waived by the chairman of the Scheme Meeting.
10. Where Scheme Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Scheme Member must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Winhold or the Transfer Secretaries.
12. Dematerialised Scheme Members who do not own Scheme Shares in own-name dematerialised form and who wish to attend the Scheme Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the Scheme Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Scheme Member and his/her CSDP or Broker.
13. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the Scheme Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the Scheme Meeting, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Scheme Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant Scheme Member.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the Scheme Meeting or any adjournment of such Scheme Meeting.

WINHOLD LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1945/019679/06)
("Winhold" or "the Company")
Share code: WNH ISIN Code: ZAE000033916

FORM OF SURRENDER FOR USE BY CERTIFICATED SCHEME PARTICIPANTS IN RELATION TO THE SCHEME

*The definitions and interpretations commencing on page 8 of the Circular to which this form of surrender, transfer and acceptance is attached (**"the Circular"**), apply mutatis mutandis to this form of surrender, transfer and acceptance.*

This form should be read in conjunction with the Circular.

Instructions:

1. A separate form of surrender is required for each Certificated Scheme Participant. Certificated Scheme Participants must complete this form in BLOCK CAPITALS.
2. Part A must be completed by all Certificated Scheme Participants who return this form as it **relates to the surrender of Documents of Title**.
3. Part B must be completed by Certificated Scheme Participants who are emigrants from or non-residents of the Common Monetary Area (see note 2).

Please also read the notes overleaf.

To: The Transfer Secretaries

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
(PO Box 61763, Marshalltown 2107)

Dear Sirs

PART A –Surrender of Documents of Title

Scheme Participants who wish to anticipate the Scheme becoming operative and expedite settlement of the Scheme Consideration should complete Part A and return this form to the Transfer Secretaries together with their document(s) of title by no later than 12:00 on the Scheme Consideration Record Date.

Scheme Participants who are emigrants from or non-residents of the Common Monetary Area should also complete Part B.

Should the Scheme not become operative, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

I/We hereby surrender the enclosed share certificate/s, certified transfer deed/s and/or other Documents of Title, details of which have been completed below, in respect of my/our holding of Scheme Shares.

Surname or Name of corporate body ______________________________

First names (in full) ______________________________

Title ______________________________

Address to which the Scheme Consideration should be sent (if different from registered address):

Address ______________________________

______________________________ Postal code ____________

Country ______________________________

Telephone (   ) ______________________________

Cellular telephone number ______________________________

Share certificate/s and/or other Document(s) of Title to be surrendered

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Scheme Shares covered by each certificate
	Total	

Signature of Certificated Scheme Member	Stamp and address of agent lodging this form
Assisted by me (if applicable)	
State full name and capacity	
Date 2017	
Telephone number (Home) ( )	
Telephone number (Work) ( )	
Cell phone number ( )	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B

1. **To be completed only by Certificated Scheme Members who are emigrants from the Common Monetary Area.**
The Scheme Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:
Name and address of authorised dealer in South Africa or substitute instruction
Account number

2. **To be completed only by all other non-resident Certificated Scheme Members who wish to provide a substitute address.**
The Scheme Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below:
Substitute address

3. **If no nomination is made in terms of 1 above, the Scheme Consideration will be held in trust by the Transfer Secretaries.**

Notes:

1. Emigrants from the Common Monetary Area must complete Part B.
2. All other non-residents of the Common Monetary Area must complete Part B if they wish the Scheme Consideration to be sent to an address other than their address in the Register.
3. If Part B is not properly completed, the Scheme Consideration (in the case of emigrants) will be held in trust by the Transfer Secretaries pending receipt of the necessary nomination or instruction.
4. The Scheme Consideration will not be sent to Certificated Scheme Members unless and until Documents of Title in respect of the relevant Scheme Shares have been surrendered to the Transfer Secretaries.
5. If a Certificated Scheme Member produces evidence to the satisfaction of Winhold and Wafima that Documents of Title in respect of Scheme Shares have been lost or destroyed, Winhold may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by Winhold and Wafima, or may in their discretion waive such indemnity.
6. If this form of surrender is not signed by the Certificated Scheme Member, the Certificated Scheme Member will be deemed to have irrevocably appointed the Company secretary of Winhold to implement that Scheme Member's obligations under the Scheme on his/her behalf.
7. Persons who have acquired Winhold Shares after the date of posting of the Circular to which this form of surrender is attached, can obtain copies of the form of surrender and the Circular from Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196.
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form of surrender must be signed in full and should not be merely initialled.
10. If this form of surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by Winhold or the Transfer Secretaries).
11. Where the Certificated Scheme Member is a company or a close corporation, unless it has already been registered with Winhold or the Transfer Secretaries, a certified copy of the Directors' or members' resolution authorising the signing of this form of surrender must be submitted if so requested by Winhold.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where Scheme Shares are held jointly, all joint holders are required to sign this form of surrender.